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FBIS-EAS-94-222 CONTENTS *17 November 1994*

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INTERNATIONAL AFFAIRS

Singapore Prime Minister on APEC Declaration *[Singapore Radio]* 1
Bogor Accord Admits Exceptions to Liberalization *[MAINICHI SHIMBUN 16 Nov]* 1

NORTHEAST ASIA

Japan

Kono Denies Talks With Mondale on CIA Funding *[KYODO]* 2
Hashimoto on Need for Trade Talks Resumption *[ASAHI SHIMBUN 16 Nov]* 2
Tokyo-Washington Telecom Talks 'Likely' in Dec *[KYODO]* 2
U.S. Request Seen as Not Objective Criteria *[KYODO]* 2
Official 'Rather Negative' on Deregulation Talks *[KYODO]* 3
EU Wants Tokyo To Be Serious About Deregulation *[YOMIURI SHIMBUN 15 Nov]* 4
Keidanren Submits Deregulation List to Government *[KYODO]* 4
JCC 'Demands' Deregulation for 17 Items *[ASAHI SHIMBUN 16 Nov]* 4
Economist Calls U.S. Interest Increase 'Appropriate' *[NIHON KEIZAI SHIMBUN 16 Nov]* 4
Ministry 'Perplexed' by U.S. Request on Iran Loans *[KYODO]* 4
JDA Cautioned Over Selection of U.S. 'UX' *[NIHON KEIZAI SHIMBUN 29 Oct]* 5
Asian Countries Said Wary of U.S. Trade Policies *[NIHON KEIZAI SHIMBUN 16 Nov]* 5
* Editorial Criticizes Shallow Move Toward Asia *[MAINICHI SHIMBUN 9 Oct]* 6
Murayama, Chilean President Agree on Closer Ties *[KYODO]* 7
Kumano Regrets Yen's 'Smaller-Than-Expected Fall' *[KYODO]* 8
Diet Debating WTO, Farm Market-Opening Measures *[KYODO]* 8
    Kono on WTO Accord *[NIHON KEIZAI SHIMBUN 15 Nov]* 8
    Hashimoto Comments on WTO *[Tokyo TV]* 9
Hatoyama May Run for Hokkaido Governorship *[KYODO]* 9
Kubo Reiterates Need To Inaugurate New Party *[KYODO]* 9
* Prominent Figures Discuss Murayama Coalition *[VOICE Oct]* 10
* Diet Urged To Pursue Serious Policy Debate *[NIHON KEIZAI SHIMBUN 10 Oct]* 20

North Korea

U.S. Brigadier General's Remarks in Paper Noted *[KCNA]* 21
ROK: Agreement 'Diplomatic Victory' for North *[KCNA]* 21
Rallies Overseas Support North-U.S. Accord *[KCNA]* 22
CPRF Denounces ROK Purchase of Weapons *[KCNA]* 22
    'Systematic Arms Buildup' Noted *[Pyongyang Radio]* 22
ROK Denounced for 'Hwarang' 'War Exercise' *[KCNA]* 23
    Called 'Alarming Military Move' *[Pyongyang Radio]* 23
South Denounced for 'Provocative War Exercises' *[KCNA]* 24
    'Confrontation and Tension' Noted *[KCNA]* 24
Paper Denounces Nature of Japanese 'Militarism' *[KCNA]* 24
Iranian Government Economic Delegation Arrives *[Pyongyang Radio]* 24
Choe Kwang Meets Laotian Defense Delegation *[KCNA]* 25
Central Committee Sends Greetings to Malaysia *[KCNA]* 25
Bulgarian Party Hails Declaration on Socialism *[KCNA]* 25
Book Called 'Road of Chuche' Published in Nepal *[KCNA]* 25
Replies Sent to Foreign Parties for Messages *[KCNA]* 26
Protocol Signed With Russia on Medicine 14 Nov *[KCNA]* 26
Russian Scholar on Kim Chong-il's Treatise *[KCNA]* 26

Kim Chong-il's Work Reported, Studied Abroad *[KCNA]* 27
Kim Chong-il's Treatise on Socialism Reviewed *[KCNA]* 27
Kim Chong-il Sends Thanks to Various Units *[KCNA]* 27
Overseas Koreans Visit Kim Il-song's Statue *[KCNA]* 28
Paper Urges People To Learn From Kim Il-song *[KCNA]* 28
Economic Targets Fulfilled 'Ahead of Schedule' *[KCNA]* 29
People's Trust in 'Invincible' Party Noted *[Pyongyang Radio]* 29

South Korea

IAEA Proposes Sending Experts Team to DPRK *[YONHAP]* 31
U.S. Envoy Laney Offers 'Assurances' on Accord *[YONHAP]* 31
KEPCO Official on Advantages of ROK Reactor *[THE KOREA TIMES 17 Nov]* 32
Scholar Urges PRC Nuclear Umbrella for North *[THE KOREA TIMES 17 Nov]* 33
'Source' on South Firms' Visiting North *[YONHAP]* 33
DPRK Reportedly Seeks Investments From South *[CHUNGANG ILBO 17 Nov]* 34
Yi on North's 'Restrictive' Links With South *[YONHAP]* 34
NUB Minister on Agenda for U.S.-North Talks *[YONHAP]* 35
U.S. Reportedly Plans To Lift North Sanctions *[CHOSON ILBO 17 Nov]* 35
NUB: U.S. Businessmen Not To Visit DPRK *[Seoul Radio]* 36
U.S. Scholars at Seminar Assess N-S Unification *[THE KOREA HERALD 16 Nov]* 36
'Fresh Trade Dispute' Over Beef, Pork Products *[THE KOREA TIMES 17 Nov]* 36
U.S. Firms File Complaints Over Trade Barriers *[THE KOREA TIMES 17 Nov]* 37
U.S. To Prohibit Koreans From Using Casinos *[YONHAP]* 37
Ambassador to Algeria Arrives in Seoul *[YONHAP]* 38
Australians Deny Rumor of Decrease in Tariffs *[THE KOREA TIMES 16 Nov]* 38
Navy Training Squadron Completes Visit to Egypt *[YONHAP]* 38
More Foreign Workers Said Needed in Small Firms *[YONHAP]* 38
Seoul, Indonesia Agree To Boost Science Exchange *[YONHAP]* 38
Ministry Reports Increase in Foreign Investment *[YONHAP]* 39
Daily on Situation Surrounding UR Ratification *[THE KOREA HERALD 16 Nov]* 39
* Press Notes Emerging 2d-Generation Politicians 40
    Presidents' Sons Viewed *[HANGYORE 21 22 Sep]* 40
    Ex-President No's Son No Chae-hon Viewed *[HANGYORE 21, 22 Sep]* 42
Prosecution Decides To End Bridge Investigation *[YONHAP]* 43
Poll Conducted on Civil Servants' Performance *[YONHAP]* 43
DLP Central Executive Council Meets on Assembly *[YONHAP]* 44
Kim Tae-chung Criticizes Prosecution's Decision *[YONHAP]* 44
    More on Kim Tae-chung's Remarks *[YONHAP]* 44
Urban Working Family's Monthly Income Increases *[YONHAP]* 45
POSCO Forms New Engineering, Construction Firm *[THE KOREA HERALD 17 Nov]* 45

SOUTHEAST ASIA

Burma

Further on Visit by UN Rights Representative 47
    Meets Chief Justice, Attorney General *[Rangoon Radio]* 47
    Envoy, Delegation Depart 16 Nov *[Rangoon Radio]* 47
Khin Nyunt Receives Thai Senate President *[Rangoon Radio]* 47

Brunei, Malaysia & Singapore

Malaysia

Radio Argues Against Trade Liberalization *[Kuala Lumpur International]* 47
Editorial Comments on U.S. Elections *[BERITA HARIAN 11 Nov]* 48
Mahathir Urges UN To End Sanctions on Iraq *[Kuala Lumpur Radio]* 49
Britain Approves Loan Agreement on Power Plant *[Kuala Lumpur Radio]* 49

Singapore

Editorial Assesses Prospects for Free Trade *[THE STRAITS TIMES 17 Nov]* ... 49

Cambodia

Hun Sen, UK Official Discuss Investment Prospects *[AKP]* ... 50
Government Establishes New Border Commission *[Phnom Penh Radio]* ... 50
SRV, 'Alliance' Keeping Sin Song in Thailand *[Radio PGNUNS]* ... 50
Preah Vihear Residents Claim Right to Self-Defense *[Radio PGNUNS]* ... 51

Indonesia

U.S. President's Official State Visit Reported ... 51
    Suharto Rejects E. Timor Autonomy *[ANTARA]* ... 51
    Suharto Hails Clinton Leadership *[ANTARA]* ... 52
Daily Views Jakarta's Contribution to APEC *[KOMPAS 16 Nov]* ... 52
Editorial Calls for Reflection After APEC *[MERDEKA 16 Nov]* ... 53
* APEC Seen as Useful Forum for Cooperation *[PELITA 10 Oct]* ... 54
* Bank Governor Says Foreign Loans Still Needed *[KOMPAS 22 Sep]* ... 57

Laos

* Party Paper Hails Relations With PRC *[PASASON 1 Oct]* ... 59
Iranian Education Group Begins Two-Day Visit *[KPL]* ... 60
Prosecution Delegation Returns From SRV *[KPL]* ... 60
* Army Paper Warns Against 'Peaceful Evolution' *[KONGTHAP PASASON LAO 14 Sep]* ... 60
Houa Phan Province Foresees Poor Rice Harvest *[KPL]* ... 61

Thailand

U.S. Secretary of State on Official Visit ... 61
    Holds Talks With Foreign Minister *[THE NATION 17 Nov]* ... 61
    Meets With Prime Minister *[Bangkok Radio]* ... 61
Prime Minister Briefs Press on APEC Outcome *[Bangkok Radio]* ... 62
Watthana Seeks To Uphold Suit Against U.S. *[THE NATION 17 Nov]* ... 62
Minister Welcomes U.S. Interest Rate Hike *[THE NATION 17 Nov]* ... 62
* Columnist on U.S. View of Libya Ties *[DAILY NEWS 13 Oct]* ... 63
* Issues on Chuan's Agenda in Canada Listed *[SIAM RAT 4 Oct]* ... 63
New Zealand Prime Minister Arrives for Visit *[Radio VOFA]* ... 64
Cambodian Court To Play Role in Sin Song Asylum *[THE NATION 17 Nov]* ... 64
* General: Burma Rebels Get 'Humanitarian Aid' *[SIAM RAT 14 Oct]* ... 64
* Infantry Commander on Burma Border Coordination *[SIAM RAT 14 Oct]* ... 65
* Chiang Rai-Burma Border Hours Expanded *[NAEO NA 5 Sep]* ... 65
* Defense Ministers 'Don't Meddle' in Military *[SIAM RAT 12 Oct]* ... 65
* Wimon on Methods for Military Procurement *[DAILY NEWS 13 Oct]* ... 66
* Chief of Staff Comments on Charter Changes *[SIAM RAT 9 Oct]* ... 66
* Political Prospects for Academy Class 7 *[LAK THAI 15-21 Oct]* ... 66
* Constraints on Thai Military Bank Described *[THAN SETTHAKIT 16-19 Oct]* ... 67

Vietnam

Canadian Prime Minister on Official Visit ... 68
    State Welcome Given *[VNA]* ... 68
    Holds Talks With Vo Van Kiet *[VNA]* ... 68
    Trade, Textile Agreements Signed *[VNA]* ... 68
    Vo Van Kiet Hosts Banquet 16 Nov *[Hanoi Radio]* ... 69
    SRV, Canadian Business People Meet *[Hanoi Radio]* ... 69
Canadian Prime Minister's Visit Praised *[Hanoi International]* ... 70
Do Muoi Receives Cuban Military Delegation *[VNA]* ... 70
Economic Cooperation With Russia Reviewed *[VNA]* ... 70

Burmese Minister Tours Sericulture Enterprises *[VNA]* 70
Culture Minister Visits Syria; Signs Agreement *[VNA]* 71
* Opportunities for Oil, Gas Prospecting Listed *[THOI BAO KINH TE SAIGON 15-17 Sep]* 71

AUSTRALASIA

Australia

ROK President in Australia for Four-Day Visit 75
  Kim, Delegation Arrive in Sydney *[YONHAP]* 75
  Arrives in Canberra for Keating Talks *[YONHAP]* 75
  Speaks at 17 Nov Dinner *[YONHAP]* 75
57 Vietnamese Boat People Sent Back to Indonesia *[Melbourne International]* 76

New Zealand

MP's Report on Situation in East Timor *[AFP]* 76

Singapore Prime Minister on APEC Declaration

BK1611133294 Singapore Radio One in English 1100 GMT 16 Nov 94

[FBIS Transcribed Text] Prime Minister Goh Chok Tong has praised the resolve of the APEC [Asia-Pacific Economic Cooperation] leaders in agreeing to the Bogor declaration which was issued after their two-day summit. The declaration sets out the goals to be achieved in the years ahead through free trade in the region. Mr. Goh said Singapore will commit itself to the 2010 deadline for free trade and investment together with the industrialized economies of APEC. He described APEC's two-tier deadline as a bold and forward-looking action. The prime minister also commended the industrialized countries for opening up their markets to developing nations. The next APEC meeting will be in Osaka, Japan.

At a news conference in Bogor this morning, the prime minister said there will more work ahead to fulfill the aims of the declaration. Mr. Goh also spoke about the significance of the accord.

[Begin Goh recording] The Bogor declaration is a strong political commitment—liberalized trade and investment. But in 20 to 25 years time, at a stable growth rate of (?6) percent per year, it will [words indistinct] approach the size of APEC's economy and the [word indistinct] income of the people. The road to Osaka is a critical process and whether we eat the fruits of the Bogor Declaration depends on how we nurture the process in the coming years. If APEC can produce a blueprint of an excellent agenda as Prime Minister Murayama predicts, all countries can be assured of free trade, more investments, and a prosperous future. [end recording]

The prime minister is now back in Singapore.

Bogor Accord Admits Exceptions to Liberalization

OW1711011094 Tokyo MAINICHI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 9

[By correspondent Toshimitsu Kobayashi]

[FBIS Translated Text] Jakarta, 15 November—On 15 November a government source said a paragraph in the Bogor declaration could be interpreted as stipulating exceptions to a plan to liberalize trade and investment [in the Asia-Pacific region] by the year 2020.

Point nine is the paragraph in question. It reads: "To facilitate our cooperation smoothly, (several passages omitted) we have reached an agreement that economies (countries and regions) which are not ready to participate now will join at a later date." The same source said: "This is applicable to the entire declaration." It is possible that based on this paragraph, developing countries will assert they be excluded from the trade liberalization plan.

Also, Malaysia's assertion that "the liberalization is not binding" appears to be based on this paragraph.

It has not yet been decided whether newly industrializing economies (NIES) should achieve the liberalization by 2010 or by 2020. The same government source said: "APEC member countries will have to reach a consensus in time for the Osaka summit next year." He thus suggested that the content of the Bogor agreement is opaque.

Japan

Kono Denies Talks With Mondale on CIA Funding

OW1711112994 Tokyo KYODO in English 1114 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—Foreign Minister Yohei Kono denied Thursday [17 November] reports that he "secretly" met with U.S. Ambassador Walter Mondale last month to discuss allegations that the Central Intelligence Agency (CIA) paid millions of dollars to the Liberal Democratic Party (LDP).

Kono, who also heads the LDP, told a press conference that he met with Mondale on Oct. 10 as reported by the Japanese daily SANKEI SHIMBUN but that it was a dinner scheduled in advance. However, Kono refused to elaborate on the contents of the dinner meeting.

The SANKEI reported in its evening edition Thursday that Kono and Mondale held a secret emergency meeting Oct. 10 to discuss alleged CIA funding to the LDP, as reported by the NEW YORK TIMES that month.

The SANKEI quoted Kono as telling Mondale that the problem may become serious for the LDP because Japanese laws ban political parties from receiving financial assistance from foreign countries for elections.

Mondale reportedly replied that documents concerning the alleged funding were made public despite his strong opposition, according to the daily.

The NEW YORK TIMES reported that the CIA secretly paid millions of dollars to the LDP during the 1950s and 1960s to help fight the party's leftist opponents.

Hashimoto on Need for Trade Talks Resumption

OW1611142494 Tokyo ASAHI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 11

[FBIS Translated Text] At a news conference held after the 15 November cabinet meeting, Minister of International Trade and Industry Ryutaro Hashimoto commented on the resumption of auto and auto parts negotiations under the Japan-U.S. economic framework talks.

He said: "When I met U.S. Trade Representative Mickey Kantor and U.S. Commerce Secretary Ronald Brown in Jakarta, I stated our conditions for the resumption. After the meeting, Kantor agreed to resume negotiations, but Brown refused. Since their reactions were different, we will decide whether to resume negotiations by discussing conditions for their resumption at future vice- ministerial meetings."

Tokyo-Washington Telecom Talks 'Likely' in Dec

OW1711091994 Tokyo KYODO in English 0855 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—Japanese and U.S. Government experts are likely to hold consultations next month on telecommunications as part of the bilateral "framework" trade talks, a senior postal ministry official said Thursday [17 November].

Haruki Matsuno, vice minister of posts and telecommunications, made the remark at a news conference.

The United States has proposed establishing rules to ensure fair competition among telecommunications companies over network connection services.

U.S. Request Seen as Not Objective Criteria

OW1611125894 Tokyo KYODO in English 1240 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—The United States has urged Japan to issue yearly reports on deregulatory measures and their "essential" effects on widening access by both domestic and overseas newcomers, Japanese and U.S. officials said Wednesday [16 November].

"This is not an objective criteria," a U.S. official, requesting anonymity, told reporters in brushing off recent reports that said the proposal as an effective yardstick to measure foreign access.

Speaking separately, a Japanese official stressed that the request is not considered objective criteria, and added that Japan also called on the U.S. for deregulatory steps.

The U.S. proposal was included in a 32-page list of "comprehensive" requests presented at working-level talks held Tuesday and Wednesday in Tokyo on the deregulation and competition field under the bilateral "framework" negotiations.

The two-day session was mostly used by the U.S. side to explain the list, and the two sides agreed to meet again in Washington in December to discuss the issues in detail, the U.S. official said.

The U.S. official said the U.S. wants Japan to issue a report based on an idea included in proposals already made by Japan's ad hoc committee on administrative reform, an advisory panel to the prime minister.

The idea was that the government should tackle "essential problems to reduce by about half the limits on the people and companies" instead of simply decreasing "the number" of regulations, he said.

The U.S. list will be made public in a few days, the U.S. official said. The Japanese side rejected some areas, he noted, but declined to specify them.

The official said the deregulation and competition area is different from other framework negotiation fields in the sense of making a concrete agreement with a set deadline.

The requests were made in line with Japanese Prime Minister Tomiichi Murayama's intention to hear overseas opinions before compiling a five-year action plan by next April.

As president Bill Clinton said recently, the U.S. Government has strong expectations of Japan's action plan, the official said.

But he rejected any changes in the hardline U.S. stance on the framework talks, noting that the Clinton administration's policy remains unchanged even after the midterm elections.

Meanwhile, the Japanese official said the U.S. side "apparently eased its stance," and Japan managed to maintain the "two-way" principle of the framework talks by calling for U.S. steps on customs procedures and domestic shipping rules.

The U.S. requests also featured a so-called "sunset" rule of setting a timetable for abolishing new regulations, periodic hearings with the private sector, including foreign concerns, and actions to make transparent the government's notices that impose nonbinding restrictions on nonregulated areas, the U.S. official said.

On competition policy, the U.S. wants Japan to beef up the Fair Trade Commission for stronger enforcement of the antimonopoly law, particularly on "dango" bid-rigging practices and currently allowed exceptions on some market cartels.

The list specifies industries, including telecommunications, distribution, financial services, automobile and auto parts, and energy.

Financial services and auto parts are also being negotiated separately under sectoral talks, but were included to make the list a "comprehensive" one, the official said.

Compared to requests made in January, he noted the insurance business, for example, was deleted because Japan and the U.S. have already reached an agreement under sectoral framework talks.

Official 'Rather Negative' on Deregulation Talks

OW1711091594 Tokyo KYODO in English 0852 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—The U.S. Government issued here Thursday a list of proposals on deregulation and administrative reform for Japan to include in its five-year action plan.

U.S. Trade Representative Mickey Kantor will hold a press conference later Thursday in Washington to brief reporters on the list, a U.S. official said.

Requesting anonymity, the official said the U.S. has "high expectations" of Japan's "serious" commitment to deregulation, with the five-year plan slated by the end of March to be a "solid" one.

The 32-page list was submitted to the Japanese Government last Friday, and discussed at a working-level session on Tuesday and Wednesday in Tokyo on deregulation and competition policy under the ongoing bilateral "framework" trade negotiations, the official said.

The two-day session mostly covered U.S. explanations with some 40 Japanese officials from about 10 ministries and agencies, and the Japanese side had the chance to give brief "initial" comments, the official said.

Some ministries did not welcome the proposals, he said, but declined to specify.

"I assume that the process will not be an easy one," he noted.

The U.S. side called to meet again in December in Washington to discuss further details with more Japanese reactions, the officials said.

Meanwhile, a Japanese official was rather negative about the next meeting during a press briefing after the talks Wednesday.

The released copy of the official paper says that it was "prepared in response to the invitation by the Government of Japan for interested foreign governments to submit specific requests...in the process of formulating" the five-year action plan.

The paper is an "initial list" and the United States may submit "additional requests or proposals" in the process of formulating and implementing the action plan, the copy says.

The list is divided into five parts—basic principles, deregulation process, specific deregulation proposals, administrative reform and competition policy enforcement.

The U.S. particularly calls for reviewing of the deregulatory process implemented by the five-year plan through periodic solicitation of public comments and yearly reports.

Instead of counting the number of deregulatory steps, the reports should measure the effect in the market including new domestic and foreign entrants and price gaps at home and abroad on goods and services.

The U.S. official said the reports are not intended as "objective criteria."

The U.S. requests also feature a so-called "sunset" rule of setting a timetable for abolishing new regulations, and actions to make transparent the government's "administrative guidances" that impose nonbinding restrictions on nonregulated areas.

On competition policy, the U.S. wants Japan to beef up the Fair Trade Commission for stronger enforcement of the antimonopoly law, particularly on "dango" bid-rigging practices and currently allowed exceptions on some market cartels.

As for industries, the list specifies farming, automobile and automotive parts, construction materials, distribution, energy, financial services, investment, legal services, pharmaceuticals, telecommunications and information.

EU Wants Tokyo To Be Serious About Deregulation

OW1611004894 Tokyo YOMIURI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 7

[By Kazuo Nagata]

[FBIS Translated Text] Brussels, 14 Nov—Prior to his visit to Japan to attend a Japan-European Union (EU) ministerial conference set for 19 November, EU Commissioner Leon Brittan (in charge of trade) gave a news conference on 14 November to Japanese reporters. Speaking about the 42-point deregulation list announced by the European Commission on 28 October on Japanese financial, telecommunications, and other sectors, he urged Japan to positively deal with this list, saying, "(At the ministerial meeting), I want to confirm that our demands are seriously received."

At the same time, he disclosed a plan to urge Japan to let the EU participate in confirming whether the agreements reached at the Japan-U.S. framework talks are fulfilled.

Keidanren Submits Deregulation List to Government

OW1711034194 Tokyo KYODO in English 0313 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—Japan's major business organization Keidanren said Thursday [17 November] it has called for abolition of cartels permitted by the antimonopoly law in the insurance and coastal shipping industries.

The Federation of Economic Organizations (Keidanren) also sought easing of the resale price maintenance system, extension of car inspection period and introduction of an upper limit on railway fares.

Those calls are included in a list of Keidanren's deregulation requests, which Shoichiro Toyoda, the Keidanren chairman, submitted to Chief Cabinet Secretary Kozo Igarashi on Thursday.

It also asked for review of postal savings and postal life insurance products, deregulation on development of deposits products, introduction of self-service gas stations and liberalization of retail prices of cigarettes.

Toyoda expressed hope the government will include the requests on 456 issues in 19 fields in its five-year deregulation promotion plan, to be compiled by the end of March.

To reflect Keidanren's requests in the five-year scheme as far as possible, the government will set up a panel on deregulation as early as next week, Igarashi said at a news conference.

The panel will be divided into two working groups which will hold their first meetings by the end of this month, the top government spokesman said.

He said the government of Prime Minister Tomiichi Murayama "has steadily resolved domestic and international challenges. Its biggest task now is administrative reform."

JCC 'Demands' Deregulation for 17 Items

OW1711060994 Tokyo ASAHI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 2

[FBIS Translated Text] On 15 November the Japan Chamber of Commerce [JCC] and Industry [JCCI] disclosed a list of requests it wants included in the government's 5-year deregulation promotion program. The JCCI demands deregulation on 17 items in 6 sectors so as to achieve the following basic aims: Promotion of private companies' activities which are full of creativity; expansion of job opportunities through creation of new business; and improvement of people's livelihood. For example, it calls for deregulation on real estate and housing business to facilitate supply and effective utilization of lands, as well as relaxation of regulations on financial and securities businesses to help venture businesses obtain funds.

Economist Calls U.S. Interest Increase 'Appropriate'

OW1711141094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Nov 94 Evening Edition p 2

[By Yohiko Okumura, director of Nomura General Research Institution]

[FBIS Translated Text] Judging from the current trend of price fluctuations in the United States, the 0.75 percent rise in U.S. interest rates is appropriate. Although the inflation rate in the United States has been hanging around the 3 percent level, it is now moving toward the 4 percent level. No additional interest rate increase will be needed if it is clear the inflation rate will rise only up to the 3.5 percent level.

However, a further interest rate rise will be inevitable if the inflation rate reaches the 4 percent level.

Until last year, the United States had been taking unusual measures to relax monetary conditions. As a result of this, the United States now finds it difficult to determine how quickly it should apply the brakes on its economy.

U.S. monetary authorities are applying the breaks gradually rather than slamming them on. Fundamentally, it can be said that the recent increase, although a big rise, has been taken, as the United States has done in the past, with an eye on which way the wind is blowing.

Ministry 'Perplexed' by U.S. Request on Iran Loans

OW1711092694 Tokyo KYODO in English 0832 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—The United States has asked Japan to halt its official yen loans to Iran, saying it suspects the fundamentalist Islamic nation of being involved in a number of recent terrorist incidents, government sources said Thursday. Foreign Ministry officials indicated the government is perplexed by the request.

"We would like to decide soon since there are also plans for construction, but it would be troublesome if we decided and then later evidence of Iran's participation in terrorism was revealed," a ministry source said.

Japan halted official development assistance to Tehran in 1975 over Iran's growing military spending. Seeking improved relations with oil-producing nations and Middle East diplomatic policies, Japan announced in May 1993 that it would resume loan payments.

An official yen loan of 38.6 billion yen was offered and would be the first installment on a 200 billion yen loan for a hydroelectric plant on the Karun river.

The U.S. State Department asked Japan to suspend the aid to Iran during a recent visit to Washington by senior officials of the Foreign Ministry.

The U.S. said it believes that Iran was involved in the July bombing of a Jewish community center in Buenos Aires that killed nearly 100 people. Argentine authorities named Iranian embassy officials as suspects.

Argentine authorities announced, however, that there was insufficient evidence to link the Iranian officials to the bombing.

The Japanese Government reportedly still has doubts and is at odds over whether to approve or postpone the loan for fiscal 1994.

Twelve percent of Japan's crude oil imports in fiscal 1993 came from Iran.

JDA Cautioned Over Selection of U.S. 'UX'

OW2910102894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 94 Morning Edition p 2

[FBIS Translated Text] The issue of picking an aircraft for the Air Self-Defense Forces' multipurpose plane (UX)—to be purchased from the 1995 budget by the Japan Defense Agency [JDA]—is turning into a controversy.

In a 28 October informal cabinet meeting, Home Affairs Minister Hiromu Nonaka and Posts and Telecommunications Minister Shun Oide noted that the aircraft "should be chosen more cautiously," thus causing the DA, which had wanted to formally decide on the U.S. model in early November, to put off making its decision. With some people in the government speaking in favor of the French aircraft, a final decision on the selection is not expected until the end of this year, when the draft budget is due to be finalized.

The UX is a business-jet aircraft to be used in support training operations, and the DA plans to import nine of them beginning with two in 1995. There are now three models of aircraft under consideration: the "Gulfstream" of the United States, the "Falcon" of France, and the "Challenger" of Canada. In mid-August, the DA informally decided on the U.S.-made aircraft. However, now that the deadline for submission of departmental budget requests is approaching, some cabinet members have started to raise their voices, charging "there are problems in the selection process." Subsequently, it has been decided that four cabinet members—the foreign minister, finance minister, chief cabinet secretary, and DA chief—should hold talks to deal with the matter.

Meanwhile, the DA, along with private-sector specialists, is now in the process of reviewing the three models performance specifications. The DA's original plan was to arrive at a conclusion by the end of this month, and to obtain the four ministers' final decision by early November. However, as a result of the complaints at the 28 October informal cabinet meeting, the agency has decided to give more time to the review process.

Within the government, there are some who think "the French model is superior to the U.S. model in performance"; in reference to the number of planes to be bought, others think Japan "should buy some from the United States and some from France." The DA hopes to conclude the matter with a report that says: "The French model meets the performance requirements, but the U.S. model is cheaper." However, with views in the cabinet divided, it is likely that a conclusion will come only after turns and twists.

Asian Countries Said Wary of U.S. Trade Policies

OW1711113294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 9

[By Yoji Koike]

[FBIS Translated Text] Jakarta, 15 Nov—There are increasing predictions that the United States will be compelled to change its strategy for liberalizing trade in Asia and spreading it to the whole world now that it learned in the Asian-Pacific Economic Cooperation (APEC) forum that Asian countries are very wary of U.S.-led attempts to liberalize trade in their region. The APEC forum closed on 15 November following an informal summit meeting.

The fact that the desire of the region to reach for liberalization was stated in the summit's Bogor Declaration was an achievement of a sort, but even that smelled like a product of compromise among the Asian nations. It was a blow to the United States that it eventually had to swallow a target whereby "industrialized countries will need to liberalize their trade first." Predictably, however, the United States will have no choice but to give more consideration to the Asian countries at the stage of firming up specific plans for liberalization.

The countries which clearly presented their doubts about the U.S.-led liberalization were China and Malaysia.

They did not object to the liberalization policy itself, but insisted that considerations need to be given to developing countries with regard to the speed of liberalization and the ways of achieving it.

In the summit meeting of 15 November, Prime Minister Mahathir of Malaysia announced that he would follow the majority's view on setting the target, but, nonetheless, expressed strong concerns about it, insisting the target can disadvantage small countries.

Other Asian countries and regions did not say so individually, but no small number of them saw that the U.S. demands on market liberalization lay behind the idea of liberalizing the APEC.

Some observers think the Clinton administration has begun to lean toward myopic policies following the Democratic Party's landslide defeat in the midterm elections, and that makes Asian countries wary too. The tough position shown by the United States in the course of the APEC ministerial conference adopting expressions on the principles of investment also resulted in furthering the Asian countries' mistrust in that country.

According to a high-ranking White House official, the U.S. Government wanted to turn the trade liberalization vision presented at the Seattle APEC summit last year into a political commitment in the APEC summit this year. It also wanted the APEC forum in Osaka next year to agree on a blueprint for specific actions. Depending on how the United States goes about it, it is possible that the Asian countries will react to it, making it difficult for a blueprint to be formulated.

The U.S. Government is now thinking about pushing for trade liberalization in other regions, using the trade liberalization in the APEC zone as a leverage, and now with the Bogor Declaration behind, its next goal is to push for trade liberalization in American countries through the American nations' summit. But it is possible that Latin American countries will become as wary of the U.S.-led liberalization as the Asian countries are.

The U.S. Government is employing three-step strategies in its steps to liberalize the world trade—multinational strategy, regional strategy, and bilateral strategy—and considers the APEC forum as a key to the regional strategy. But bilateral negotiations have been criticized by Japan and China as a "managed-trade approach" or hasty result-oriented policy. Now, if the regional strategy also comes to be questioned, the validity of the three-step strategy itself will come into question.

* Editorial Criticizes Shallow Move Toward Asia

952B0014A Tokyo MAINICHI SHIMBUN in Japanese 9 Oct 94 p 5

[Editorial: "Asia and Japan—Fifty Years After World War II an Illusion of 'Leaving the United States, Joining Asia'"]

[FBIS Translated Text] "I think a No mask is precisely what expresses the character of the Japanese," says Xueyan Liu (25). She is a research student at Tokyo University. At present she is in the midst of her studies, aiming at graduate school. It will be two years since she came to Japan from Beijing.

"In China we have the Beijing opera, which ought also be called the national theater. On the stage, actors wearing makeup express all emotions to the fullest. But No is different. It tries to have the audience understand via No masks that have vague expressions which do not express extreme emotion. It seeks the understanding of the people it is dealing with by ambiguous representation. Is this not exactly like the Japanese people?"

A certain news magazine gathered information from foreign students by a questionnaire which asked "What has been most troublesome to you in Japan?" Almost half of the responses were: "I get confused because I do not know what Japanese are really thinking."

Liu does not think that Japanese society is what is called closed. But she says it seems as though people are always wearing No masks, and somehow cannot get to know people well.

"When someone wears a mask their field of vision becomes narrow. This, too, is a characteristic of the Japanese; in everything they devote themselves intently without glancing aside. That is an advantage in itself, but they lack knowledge of things outside their own interests. For example, the Japanese know a lot about Europe and the United States, but they do not know too much about nearby Asia."

Pak Chan-su (31) was born in Seoul. While studying in Japan she married a Japanese researcher at the same university. Now she is a full-time housewife with one child.

"My parents dislike Japan. When I said that I was going to Japan, my teachers and friends also opposed it. Still, I went and produced a fait accompli (child). My father is also striving to somehow understand Japan. Yet, if my younger sister and friends say they want to come to Japan, he opposes it. Somehow it looks like Japan will continue to get worse and worse. They tell me to go to the United States."

Viewing Foreign Students as a Reserve Army of Crime

There are roughly over 50,000 foreign students in Japan; 80 percent are from China, the Republic of Korea, and Taiwan The environment that surrounds them is certainly not warm. It is difficult for them to find housing, and scholarship money is also very tight. They have to worry about the eyes of the authorirties while working night and day at part-time jobs. The one who says "I have never been so angry and so sad" is Professor (Mitsuo) Koizumi of Shizuoka University.

He says that officials of the immigration office showed up and were copying foreign students' savings accounts so they could check their sources of income. He says there are also students who were expelled from Japan on the grounds that they did more part-time work than stipulated. "In short, immigration authorities view foreign students only as a reserve army for crime. They care nothing at all about such things as invasion of privacy," says Professor Koizumi with anger and sadness.

If the Ministry for Education opens its mouth, it says: "We are striving to establish a foundation for a stable livelihood for foreign students." It also says that it wants to aim for 100,000 foreign students at the beginning of the 21st century. Professor Koizumi says: "It is only the logic of numbers. It is completely the same as official development assistance. I would not be surprised if foreign students returned to their native lands bearing only anti-Japanese sentiment."

Neither Liu nor Pak, who ought to be in comparatively fortunate environments, necessarily like Japan. Given that, if one only increases the number, will not it be a matter of increasing by that much the number of persons who dislike Japan? Where on earth is the flaw?

A former prime minister once said: "Southeast Asia is Japan's electoral constituency." Recently he says, more softly, "Japan is Asia's proxy." The Murayama government says that it wants Japan to become a permanent member of the UN Security Council in order to reflect the voice of Asia. But it would be well for each of us to place a hand on our heart and think quietly: How well do I know Asia?

The Emphasis on Asia of the Major-Power View of History

A "doctrine" called pan-Asianism, which advocated Asian solidarity, existed before World War II. There were some persons who, like Toten Miyazaki, earnestly immersed themselves in Asia. But the mainstream was Japan's doctrine of the leader of an alliance, and it became the East Asian Co-Prosperity Sphere, and supported taking part in the invasion of Asia. If we describe pan-Asianism in a single word without fear of criticism, it was "Japanization of Asia," not "Asianization of Japan." In exactly the same way, Nazi Germany aimed at "Germanization of Europe." Arguments for turning back to Asia are seen in the press recently. On the trade side, too, trade with Asia has overtaken trade with the United States. In official circles also, the faction familiar with the United States has declined, and the Asia faction is swaggering. It may be natural for politicians who are quick to spot an opportunity to make a big fuss about "Asia."

But what is placing emphasis on Asia? Is it a matter of again aiming at "Japanization of Asia?" Then it would be a repetition of the time before World War II, and it is not likely that Asia would permit the same mistake. Then, is Japan to become like Asia? It can also be said that after World War II Germany was rehabilitated by "Europeanization of Germany." Can Japan do the same thing?

Let us once more place our hands on our hearts and think. The path that Japan chose after the Meiji Restoration was "leaving Asia and joining Europe." By trodding the path that Western Europeanization was equal to modernization, Japan became a member of the imperialist nations. On the other hand, after World War II also, Japan became a major power by intently following in the footsteps of the United States. Japan's looks at things on the level of Europe and the United States, the same as before the war. It calls for placing emphasis on Asia without changing its own way of thinking and looking at things. There is no reason for Asia, which before the war was forced to experience great bitterness, to trust that kind of Japan.

Both Liu and Pak are severe with Japan because they perceive Japan's true intentions. In a foreign student system which is haunted by major-power doctrine, the outlook for success is gloomy no matter how much money we pour into it.

Murayama, Chilean President Agree on Closer Ties

OW1711120194 Tokyo KYODO in English 1126 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—Prime Minister Tomiichi Murayama and Chilean President Eduardo Frei Ruiz-Tagle agreed Thursday [17 November] to expand and strengthen bilateral ties in areas other than the economic sphere, Foreign Ministry officials said.

Murayama and Frei agreed during a 30-minute meeting at the prime minister's official residence on the need to strengthen ties in the political and cultural arena as well as in two-way exchanges of people.

They also agreed to boost cooperation in tackling problems in the Asia-Pacific region, the officials said.

Murayama gave high marks to Chile's efforts for democratization and economic reform, saying it serves as a model for South American countries and that Japan intends to continue supporting such efforts, they said.

Frei called for Japanese cooperation in the science and technology field as well as in Chile's plan to set up a center to increase economic productivity, the officials said.

Murayama told Frei that Japan wants to study how it can cooperate in those areas.

Also during the meeting, Frei, who began his visit to Japan on Wednesday, voiced support for Tokyo's bid for a permanent seat on the United Nations Security Council.

Murayama was quoted as replying that Japan wants to cooperate with Chile in the problems of reforming the council.

Kumano Regrets Yen's 'Smaller-Than-Expected Fall'

OW1711064094 Tokyo KYODO in English 0629 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—A top Japanese trade official on Thursday expressed regret about the yen's smaller-than-expected fall following Tuesday's key rate raise in the United States.

Hideaki Kumano, vice minister for international trade and industry, told reporters the U.S. action to hike the official discount rate by 0.75 point to 4.75 percent caused a dollar rally at first but the margin was small.

In Tokyo, the dollar changed hands at the 98 yen level on Thursday morning.

Kumano said Japanese businesses want an exchange rate of about 110 yen to the dollar by citing a recent survey on smaller businesses and that the dollar should change hands at the 100 yen level first of all.

Diet Debating WTO, Farm Market-Opening Measures

OW1711050994 Tokyo KYODO in English 0435 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—The House of Representatives began Thursday [17 November] debating bills related to the creation of the World Trade Organization (WTO) and to the opening of Japan's agricultural markets in accordance with the Uruguay Round trade accord.

Prime Minister Tomiichi Murayama said, "As the WTO is sure to be to Japan's advantage, I hope the Diet will approve the agreement to set up the organization as soon as possible."

The government and the ruling coalition parties aim to achieve ratification of the WTO agreement, and the passage of a package of domestic measures centered on the Food Control Bill, in the current extraordinary Diet session which is scheduled to end on Dec. 3.

As the U.S. Congress is expected to approve the agreement early next month, it will be Japan's handling of the ratification process which decides whether the WTO will be able to be inaugurated at the start of next year as scheduled.

Murayama said that the creation of the WTO is expected to promote world trade based on mutual cooperation. The agreement, which covers financial and services sectors for the first time, will benefit trade-oriented Japan, he said.

"We must watch carefully moves by the United States and European nations to ratify the agreement, but Japan must ratify it in time for the inauguration of the WTO on Jan. 1," he said.

However, as the opposition camp intends to debate the WTO agreement in detail, despite the government's demand for early approval, the extraordinary Diet session may be extended, political sources said.

The ruling and opposition parties may also be divided over domestic agricultural measures, for which the government decided in October to set aside 6.01 trillion yen over the next six years in an effort to cope with the partial liberalization of rice imports.

The opposition camp has criticized the plan as not doing enough for farmers because about 70 percent of funds will be allocated to public works projects and loans. The opposition is also expected to find fault with a new Food Control Bill, introduced to replace the Staple Food Control Law.

At the lower house's ad hoc committee on the international accord on the creation of the WTO, meanwhile, Finance Minister Masayoshi Takemura supported public works projects for domestic agricultural measures.

Last year, the Fiscal System Council, an advisory body to the finance minister, compiled a report calling for lower allocation of public funds for agricultural infrastructure projects.

Takemura said the government will refer to the report but its content is not government policy.

He said that though the report places the lowest priority on public spending for agricultural infrastructure, the agricultural measures mapped out in October to cope with the partial liberalization of rice imports are an exception.

Kono on WTO Accord

OW1711025294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Nov 94 Evening Edition p 2

[FBIS Translated Text] During unofficial talks among cabinet ministers after a cabinet meeting on 15 November, Yohei Kono, deputy prime minister and foreign minister, touched on the issue of ratifying the treaty establishing the World Trade Organization (WTO) and adopting relevant bills. He noted that the United States has been preparing for the ratification of the WTO accord on 1 December, that other countries have also been moving toward ratifying it, and that Japan needs to endorse it in the current Diet session at an early date. He then asked other cabinet members to work for early ratification of the WTO treaty, urging them to do their utmost to have the treaty adopted during the current Diet session. The other cabinet ministers agreed to his call.

In a related development, Yoshiro Mori, secretary general of the Liberal Democratic Party, told other party executives on the morning of 15 December: "Because the former Hosokawa cabinet decided to accept the Uruguay Round agreement and Shinseito [Japan Renewal Party] head Tsutomu Hata signed the accord when he served as deputy prime minister and foreign minister, opposition parties should do something to promote debate." In this way, he indirectly checked the opposition camp from trying to delay Diet deliberations on the WTO accord.

Hashimoto Comments on WTO

OW1711123694 Tokyo NHK General Television Network in Japanese 1005 GMT 17 Nov 94

[Announcer-read report; from "NHK News 7" program]

[FBIS Translated Text] The lower house special committee session today began discussing Japan's ratification of a bill related to the Uruguay Round agreement, including the establishment of the World Trade Organization [WTO].

At today's session, Ministry of International Trade and Industry [MITI] head Ryutaro Hashimoto, said the trade dispute between Japan and the United States could be handled under the international rules of the WTO once it was established.

[Unidentified NHK correspondent] At today's session, Iwao Matsuda, member of Kaikaku [Reform], made a reference to Article 301 of the U.S. Trade Act and the so-called Super 301 provision, which is designed to give the United States the power to retaliate against trading partners it considers to be pursuing unfair trade practices. Matsuda asked if such retaliatory action would be rendered invalid under the WTO's new procedures for handling trade disputes.

[Begin Hashimoto recording] I believe retaliatory actions will be restrained because, under the WTO rules, any two countries in a trade dispute are not allowed to take unilateral action against each other. If the United States pursues that kind of action [even after the WTO is established], however, Japan will seek a settlement under the international rules. [end recording]

[NHK correspondent] In this way, MITI Minister Hashimoto indicated that bilateral trade disputes can be settled under WTO rules once the organization has been established.

Hatoyama May Run for Hokkaido Governorship

OW1711055594 Tokyo KYODO in English 0512 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—Former Deputy Chief Cabinet Secretary Yukio Hatoyama hinted Thursday [17 November] he will run in the Hokkaido gubernatorial election next April.

Hatoyama, a senior member of new party Sakigake [Harbinger] and a House of Representatives member from Hokkaido, told reporters he will "consider in a forward-looking manner the possibility of my running in the election."

Incumbent Gov. Takahiro Yokomichi will not be seeking a fourth term and former Deputy Gov. Tatsunari Hori has announced he will run for the governorship with the support of the Social Democratic Party (SDP), Shinseito, Komeito, and the Democratic Socialist Party.

The Japanese Communist Party is fielding its own candidate, Motoo Kai, a senior official of a nonprofit workers' medical association in Hokkaido.

Hatoyama's entry in the race could have significant repercussions in national politics since the Liberal Democratic Party, which forms the ruling coalition with the SDP and Sakigake, has already proclaimed its support for Hatoyama.

Hatoyama, however, said the environment is not yet quite right for his running for the election.

"I would like to hear what my supporters' organization thinks about it. That will be a big factor in my decision," he said.

Kubo Reiterates Need To Inaugurate New Party

OW1711083494 Tokyo KYODO in English 0801 GMT 17 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 17 KYODO—A senior leader of the ruling Social Democratic Party [of Japan] (SDP) [SDPJ] reiterated Thursday [17 November] the need to launch a new party of social democrats and liberals before the next general election is conducted under a new polling system.

"If the next general poll is held centering on two conservative political forces, a single-party government formed by either of them will be born," SDPJ Secretary General Wataru Kubo said in a speech.

Kubo referred to the conservative Liberal Democratic Party (LDP), the biggest contingent in the tripartite ruling coalition, and a grand opposition party set to be inaugurated in early December, which is also viewed as a conservative force.

"It will be no easy task to form a third political axis after the election," he said, adding that the SDPJ should quickly move to create a fresh party and play a new role in politics.

The No. 2 man of the SDPJ, headed by Prime Minister Tomiichi Murayama, cited actions toward a full-scale reconfiguration of parties that are occurring more quickly than the SDPJ envisioned.

"Moves toward political realignment are not coming in step with the SDPJ's reform programs and its schedule. We cannot play a role unless we make bold decisions and take bold actions," he said.

But Kubo failed to spell out when a party of social democrats and liberals should be created, saying, "the situation that keeps us from making the decision on the question of when is continuing."

The plan for a new party, originally floated by Kubo in October, initially drew criticism from left-wing SDPJ lawmakers who strongly support Murayama, saying the move will split the party.

Meanwhile, a group of right-wing SDPJ lawmakers who back Kubo has vehemently spearheaded the drive for a fresh party and has threatened to leave the SDPJ.

However, Kubo is said to have recently distanced himself from those advocating an early breakaway from the party with the aim of uniting as many like-minded forces as possible at the right time.

* Prominent Figures Discuss Murayama Coalition

952B0002A Kyoto VOICE in Japanese Oct 94 pp 72-95

[Article by Takao Tokuoka, journalist; Toshiro Ishido, playwright; Yasuo Takeuchi, Seikei University professor; Kaoru Moroi, author; Koichi Hori, Boston Consulting Group president; Kan Kato, Keio University professor; Akihiko Ushiba, SANKEI SHIMBUN staff member; Keiji Shima, Shima Media Network representative; Kazuya Fukuda, literary critic; Nobuhiko Sakai, University of Tokyo assistant professor: "How Long Will Murayama Coalition Last?—Opinions by 10 Prominent Persons"]

[FBIS Translated Text] **Where Shall I Seek Refuge?**

Takao Tokuoka, journalist

What is happening is improbable, so I think that the present LDP-SDPJ- Sakigake coalition is mostly fiction. Therefore, I read the political news in the newspapers with the feeling that I am reading a novel. It is a picaresque novel with the villain in the leading role. Uniting and disuniting, a bunch of people with ulterior motives are treating Japan like a toy.

Since politics in its entirety is a fabrication, it is uncertain when the Murayama regime will end. I do not think it is possible to predict that.

SDPJ General Secretary Kubo has been making carefree remarks: "Since the government formed by the union (LDP and SDPJ) is surprisingly stable, my thinking has changed and I now want to extend my term as long as possible. I think that, at the earliest, it will be next spring and the possibility is strong that it will be after July of the year after next" (28 July issue of NIHON KEIZAI SHIMBUN).

Since I think that the present Japanese politics is a fiction, I cannot bring myself to accepting such statements as being true. Instead, though I might be rude, I wonder why this person doesn't go to the dentist whenever Kubo appears on TV. Since he is said to be a person who highly respected Kim Il-song before his death, I am inclined to suspect that he is making such misguided statements because he is upset over the leader's death.

Called by such affectionate terms as "grandpa" and "eyebrow don," the prime minister seems to have surprising popularity. Probably, no political commentator has ever considered the political benefits of eyebrows and olive oil allergy. However, they brought down Ichiro Ozawa, who is likened to a political wizard, and established an "improbable government" in Japan so the results, though fabricated, are uncanny.

Of course, Murayama did not appear suddenly. The lord [Morihiro Hosokawa], who spent 100 million yen to repair temple gates and earthen walls and also bought the condominium to rent to Yuko Asano, was trusted by 80 percent of the people and was a rising star at one time. Well, how could the Japanese have embraced such a liar? Subsequently, a former bus company employee [Tsutomu Hata], who appeared outwardly to be very sincere, became the prime minister and though he was rumored to be truly sincere, he left after a short term.

For how long will Murayama last? Will the LDP-SDPJ-Sakigake coalition be a long-term regime? Before posing that question, I want to ask if the SDPJ is still existing as a political party.

The Self-Defense Forces [SDF] are constitutional. The U.S.-Japan Security Treaty must be maintained, unarmed neutrality has served its purpose, the Rising Sun is the national flag, and *Kimigayo* is the national anthem, etc. When Murayama made the foregoing statements at the lower house plenary session, I could not hold back the tears thinking about the shock given to the constitutional scholar, Takako Doi, who was sitting in the background and listening. Subsequently, when the stage moved to the upper house, Murayama even stated, "paying reverence at the Yasukuni Shrine is not unconstitutional," "the PKO [peacekeeping operations] Law must be carried out faithfully, etc. These statements were about laws which they had opposed in the past with ox-paced voting tactics in the Diet—well, that must be the prerogative of the prime minister.

It is not a question of how long the Murayama regime will continue. Can a girl who has been given so much freedom be called a virgin? What has happend to the SDPJ, which was supposed to constitute one solid wing of the coalition—the SDPJ that was pure as a virgin? It is difficult to identify the SDPJ in the present ruling party lineup.

To predict the future of the government, the opposition camp, too, must be examined. There is a man of intellect and action called Ichiro Ozawa, and at present, there is no other person who can be compared with him in Japanese political circles.

It is true that his methods are fascistic. Above all, however, he has "something to say." He has a clear vision of the course to which Japan should be directed in the future. At the time of the Kominto incident, he was a completely confused person who was even scorned by the right wing, but he grew, unnoticed by the public, and raised his stature to a level that amazed even the old-timers in Washington, D.C., on his visit there.

Also, he has an absolutely stable voting bloc called the Soka Gakkai. This bloc should have considerable influence when the small constituency system is established. Moreover, Ozawa is allied with Yuichi Ichikawa in their pledge to defeat the LDP.

On the other hand, Murayama does not have an outstanding chief of staff who is articulate and competent. The United States views him with suspicion, as heretofore, as the socialist that he is. He must raise public utility rates in the future. He must raise consumption taxes. He must dispatch PKO forces, which he had strongly opposed, to Rwanda. Furthermore, if he really wants to atone for the war of aggression, he must make compensations of trillions or tens of trillion yen to former ROK comfort women and even to Dutch nationals who claim to have been abused by Japanese forces in Indonesia. His future is bleak.

The future is unpredictable in politics. Since both are built on fabrications, the present Japanese Government and North Korea's Kim Chong-il regime have something in common. The governments might last or they could collapse tomorrow. If the "new-new party" selects as its leader the gentleman whose pet phrase is "therefore, and so," there is the possibility that Japan might be presented wholly as a gift to the "teacher." I am wondering where I should seek refuge if that happens.

Composite Displeasure

Toshiro Ishido, playwright

More and more of the politicians who are appearing are younger than I.

Since I was born in the same Year of the Monkey—1932—as Shintaro Ishihara, I am older than Ichiro Ozawa or Ryutaro Hashimoto. However, I had believed that politics was not an occupation, but a holy order or a mission—a "calling" in English and "beruf" in German—in which one became deeply involved in a country's fate and, in some cases, one had to commit suicide by taking potassium cyanide; so I thought that politicians, especially personages appointed to the position of prime minister, must transcend age and be respected at all times. For example, Masayoshi Ohira, who ultimately died without being able to accomplish anything, still showed a dignity, even in his junior high school photo, that was so impressive that I was awed in my middle age.

This situation deteriorated rapidly in recent years.

Earlier leaders, like Tanaka, Miki, Fukuda, Ohira, and Nakasone, were dignified, at any rate, by their earnest contentions for the prime minister's position, the object of their ambitions, but starting with Takeshita, and followed by Uno, Kaifu, Miyazawa, Hosokawa, Hata, and Murayama, leaders cannot command the respect that the people want to give them.

In casting for my scenario, Takeshita would become a shrewd pawnbroker; Uno, a hotel doorman; Kaifu, a person who aged with pride in having been the chief youth advocate; Miyazawa, an interpreter; "lord" Hosokawa, director of a muffler store; and Hata, a junior high school teacher.

Compared to them, Murayama, the new prime minister, has a distinctive air, but it ranks, after all, in the category of a village schoolmaster and though it would fit right in with a farm commercial, it is definitely not in the class to shoulder the destiny of a country.

His demeanor and actions at the summit meeting were shameful. Since he was the senior in age, he should have remained composed, but he appeared servile enough to grovel before Clinton.

When asked by Takemura what he was thinking about as he dozed in the aircraft on the return trip, he only replied that it was a miracle that a person like him could become prime minister and his utter lack of realization that his long-cherished ambition had been attained is tied to his servile attitude at the summit.

It is true that this person or, more appropriately, a personage called Murayama appears, individually and personally, to be like the honest old man in a fairy tale and does not seem to have any close association or relations with any geisha, NTT stocks, or Komeito.

If politics could be carried on simply on the basis of personal purity, he must be termed an unusually clean prime minister.

However, politics is removed from the type of morals categorized as personal purity. The illusion that such morals exist goes unchallenged and the tendency to ostracize politicians over money and women has been a big abuse in postwar democracy.

Because he became the prime minister unexpectedly thanks to such abuses, Murayama is lacking in qualifications required of a prime minister, such as preparedness, awareness and responsibility. Otherwise, he couldn't have ignored the principles of his own party, the SDPJ, and so nochalantly reversed the policies one after another.

He is a big liar rarely seen in public office. Watching the TV broadcast of his policy speech, I could not bear looking at his virtuous countenance which showed no signs of distress a politician should normally show when reversing his policies.

Personally uprighteous persons frequently turn into political villains and Murayama is a good example.

To continue, the displeasure I feel about Murayama is composite in nature. When looking at his face, I also see the superimposed faces of SDPJ leftists, like Takako Doi, Sukio Iwadare, and Masao Kunihiro, who must be lurking behind him.

For example, haven't you seen pictures, like in psychic photos, where the faces of persons who are not supposed to be there appear? That is what I mean. The sudden firing of Environment Agency Director General Sakurai must have been the apologetic gesture of his behind-the-scenes supporters.

I think that the proper course of Murayama's behind-the-scenes supporters is not to stick by him, but to leave the party, form a new party, refute the constitutionality of the SDF, oppose the PKO, reestablish the all-out opposition stand, and prepare anew for the next election. Of course, I do not think they have any chance of winning, but upon defeat, they should withdraw completely from the political arena. What I want the SDPJ to do is not change policies, but to disband.

I do not want the SDPJ, which actually approved the SDF with the ridiculous play of words that it was unconstitutional but legal, to encourage the hoisting of the national flag and singing of the national anthem. The national flag and anthem should not be subjected to trifling treatment by the SDPJ chairman.

He stated in a speech that "the unbearable suffering and sorrow brought to the Asian nations by our country's aggressive acts and colonial rule in the last war will be reflected upon deeply," but the past assertion of the SDPJ was that the national flag and anthem were the very sumbols of such aggressive wars.

Is Murayama really interested in pushing for the hoisting of the national flag and singing of the national anthem? If schools throughout the nation join together in raising the Rising Sun flag and singing the *Kimigayo* anthem and complaints are received from the PRC and the ROK, is he determined to declare that, just as you love your flag with the stars or the flag with the rose of Sharon, we love our flag with the sun? I doubt it.

An Alligator Called LDP

Yasuo Takeuchi, Seikei University professor

After a period of political confusion, the LDP formed a government headed by the SDPJ and a "socialist" prime minister from Japan attended the summit meeting. This government was regarded by foreigners as "unbelievable," but it is not an inscrutable government, at all, if one gives it careful thought. In politics, individuals and parties work with their own interests as the foremost objective, and this was one of the possible moves for the LDP to regain government control by whatever means possible. If it remains indefinitely as an opposition party, the LDP would be deprived of information from the "bureaucracy" and the flow of money from the "financial circle" would lapse. In short, a network of vested rights that had been secured as the ruling party would be lost. To recover government power, the party had to tie up with whatever political force available. If the Japan Communist Party [JCP] had sufficient strength, LDP would undoubtedlyd have coalesced with it. It is regrettable that an "LDP-JCP coalition government" did not emerge to astound the world.

In any event, the LDP and the SDPJ have traditionally held suprisingly similar political thoughts. Stressing "unarmed neutrality," SDPJ believes in isolation-oriented, one-state pacifism (called the "dove" faction) and on this point, the gap with the "hawk faction" (minority group) in the LDP is wide, but regarding conservative policies, such as protection of the weak, control rather than competition, and support of a high-cost welfare state, there is a very close relation with the LDP's majority group.

The current Murayama regime is clearly a coalition of comparatively close forces—LDP, SDPJ, and Sakigake—which have "big government tendencies and isolationist postures," and it is essentially a government to reinforce the conservative camp and rebuild the vested rights structure.

The position combining liberalism directed toward a "small government" and open-door internationalism, that is, the reformist stance, might be supported in principle, but it is difficult for it to become a distinctive force and occupy a dominant role. The reason is that Japanese politics have been concerned mainly with coordinating rights and interests, on the basis of "government" regulations and protection, and the "small government" line would mean denial of its own functions.

Unlike the reformist group which is "respected but feared," the Murayama regime is said to be a government "friendly to the people," so it will probably follow the course of deficit expansion favoring tax reductions but opposing increased consumption tax rates. This "opportunistic course" will be appreciated by the people for the present so passive support might increase. Together with tax reductions, if the government can carry out administrative reforms, deregulations and expenditure cuts, too, that would be the "ideal course" but, needless to say, such actions cannot be expected.

If a cartoon were to be drawn of the Murayama regime, the sketch would show an alligator called the LDP swallowing half of a lizard called the SDPJ with the lizard's head protruding. Since the size (numerical strength of coalition ruling party) is large, it appears quite powerful. However, it is not a government that intends to carry out any action forcefully. Its size and strength are concentrated soley on prolonging the regime. Since LDP's primary mission is to remain a ruling party, it will probably avoid coordination of policies that conflict with the SDPJ and defer troublesome issues without making definite commitments. Therefore, it will try to maintain the status quo in all matters.

Prime Minister Murayama, a SDPJ member, was also brilliant in showing a "realistic response." As soon as he became the commander-in-chief of the SDF, he realized that he could no longer say the "SDF is unconstitutional," so he promptly declared that the "SDF is constitutional." In changing his party's convictions, the nonchalant attitude that he took—now that our position has changed, it is natural that our thinking should change—is something to behold. This is probably what is meant by the saying, "the wise adapt themselves to changed circumstances." If other SDPJ members learn from this "wise man with long eyebrows" and continue to make about-face changes, the Murayama regime will surely last for a long while.

A split between the parties, with the lizard (SDPJ) emerging from the mouth of the alligator (LDP), and the collapse of the government can be conceived in the following cases: 1) if the United States makes a strong demand over the North Korean problem (the possibility is small under the present Clinton administration) and the LDP complies, but the SDPJ leftist faction objects; 2) if Ozawa's tactics to split succeeds and a part of the lizard is pulled out of the alligator's mouth; and 3) if general elections under the new electoral system are speeded up. However, in each case, the possibility is strong that a split will be avoided with the versatile LDP winning over the SDPJ.

If this united party of conservative forces is the Japanese version of the "Democratic Party," the union of opposing forces will become the Japanese version of the "Republican Party" or the "Liberal Party" and until they can defeat the old LDP-SDPJ "Democratic Party" in the small constituency elections, the present government will probably continue. However, even if elections are held, the "irresponsible, opportunistic" conservative force might be stronger.

The foregoing outlook means that there is practically nothing to look forward to in coming politics. Because of the government, which is protected by a powerful mechanism for extending tenure and is unable (unwilling) to do anything, the people must shoulder a heavy burden.

That Dream Will Not Come True

Kaoru Moroi, author

In life, there are things about which you can say, "the shorter, the better." They are the scolding by parents which one tires of hearing, the prolonged recession that one repeatedly hears is nearing the bottom but which never seems to turn better, and the Murayama cabinet.

In baseball terms, he is like a southpaw pitcher sent in for short relief against lefties in an inning when they are lined up in the batting order; "pitcher" Murayama would not remain the next inning even if things go wrong—so, actually, there's not much point in trying to predict his durability, which is so obvious.

First of all, Murayama, himself, should know best what his role is and if, encouraged by his surprising personal popularity, he harbors the slightest feeling that, "perhaps, I should continue for a while," that would be a serious misjudgment.

To begin with, what was the significance of the political developments during the past year with the rapid change from Hosokawa to Hata to Murayama? The U.S.-Soviet confrontational structure collapsed and movements stirred throughout the world toward a new order to replace that and, as was to be expected, in Japan, too, with the Kanemaru incident as the trigger, the virtual one-party rule by the LDP spanning 38 long years ended abruptly, and in the general elections the party was toppled at one stroke to the role of opposition party.

Reformist Diet members, who had been planning a drastic reorganization of the political world, became very excited and hurriedly formed the Hosokawa cabinet with "anti-LDP" as the slogan but frictions resulting from the union of rival parties appeared here and there; then, using the high-handed tactics of the so-called "Ichi-Ichi combination" [Ichiro Ozawa and Yuichi Ichikawa] as an excuse, the SDPJ and Sakigake left the coalition; and, ultimately, the reformist group not only caused the "short-lived reign" of Hata, who succeeded Hosokawa, but incredibly, enabled the establishment of the seemingly incompatible LDP-SDPJ-plus Sakigake coalition government. The end result was the emergence of the Murayama cabinet.

There seems to be a viewpoint in the public that the deep-seated "hatred of Ozawa" held by the remaining LDP members jelled into a desire to unite with any party, whether the SDPJ or any other, and under whatever humiliating conditions, as long as they can "crush Ozawa," but the living creatures called politicians are not so naive as to unite or disunite solely on the basis of such feelings.

The fall of the LDP to an opposition party was the start of political reorganization and provided the first opportunity to politicians of various parties, who were freed from ideological ties, to newly seek allies and reunite. Therefore, subordinating urgent tasks such as overcoming the Heisei recession and resolving economic frictions with the United States, the Hosokawa cabinet exerted maximum efforts on political reforms, centered on the change to the small constituency system, because there was a realization transcending party lines by politicians that without political reorganization, leadership cannot be provided for Japan's future.

The LDP alone appears to be confident that it will have an absolute advantage over others by the change to the small constituency system, but the prerequisite is that they maintain their unity outside the pale of reorganization; if they disunite, there is no guarantee that they would not vanish even if it is a powerful party.

On the other hand, if the SDPJ and Komeito enter the general elections under the small constituency system in their present state, an unprecedented rout is inevitable, so undoubtedly, before the elections, they will follow the course of giving up their party names, disbanding and reuniting to form a new party. That is also true of the former ruling coalition parties, including Shinseito, and, rather than a party like the hastily formed new-new party, formation by taking in all the parties, including LDP and SDPJ, and mixing them up like mahjong tiles, would conform to the initial ideal of political reorganization.

In July 1944, toward the end of World War II, with the fall of Saipan, Prime Minister Tojo, who had occupied a dictatorial position, was forced to resign and was assigned to the "reserves," and the war cabinet led by the Army virtually disappeared. To replace it, Governor General of Korea Kuniaki Koiso and Admiral Mitsumasa Yonai received the Imperial mandate to form a coalition cabinet and the Koiso cabinet was established. Hoever, this was clearly a regime directed toward conclusion of the war and, until April 1945, when government control was passed to the Kantaro Suzuki cabinet, which actually became the war-termination cabinet, the Koiso cabinet secretly conducted negotiations to end the war.

As times change, one can also expect big changes, but in place of the LDP regime, which had been as powerful as Prime Minister Tojo was at one time, for its irreconcilable counterpart, the SDPJ, to occupy the prime minister's position, though there were twists and turns, is reminiscent of the momentous surprise received at the time of Koiso cabinet's emergence.

Rumors persist that the Murayama cabinet is an "illicit union," but those who can only view this as collusion must either be too deeply attached to the so-called 1955 setup or have a disposition that can only think of obscene metaphor.

Putting aside the question of whether it was planned, the person called Murayama is someone who was placed in the public forefront for the sole purpose of putting the torch to the party name of "SDPJ." He is like a rustic moralist, who does not even resemble Yoshinobu Tokugawa [the last shogun], and even if he is entertining the idea of extending his rule, he should resign himself that that is a dream that will not come true.

No-Confidence Motion for Transport Minister Kamei

Koichi Hori, Boston Consulting Group president

Regarding employment plans for contract stewardesses by airlines, including Japan Airlines (JAL), Transport Minister Kamei objected, stating, "if stewardesses receiving different treatment serve aboard airecraft, their responses in emergencies might become a problem." Actually, is safety a factor in this issue?

Basically, the airline industry is run on regulations and competition. For example, looking at Japan and the UK, both countries acquire the same number of flights through government negotiations, and airfares are set artificially through agreements.

As far as competition is concerned, on the Tokyo-to-London route, JAL, All Nippon Airways, and British Airways are competing under practically the same conditions. Mechanical equipment differ only slightly depending on the type of aircraft, while the cost of jet fuel and expenses for landings and take-offs are almost the same. The biggest difference is the personnel expenses for pilots and stewardesses.

At JAL, partly because of the past actions of a strong union, the pay and treatment of the crew are unusually good. For that reason, costs are high. Because domestic lines are practically monopolized by three companies, business is profitable, but international routes must compete with foreign airlines and continue to be in the red. Unless labor problems and employment conditions are improved, Japanese airlines must eventually pull out of international routes.

Therefore, as a rationalization measure to upgrade customer services and lower costs, stewardesses from landing, or destination, points have been hired from several years ago. The pay is fractional while the intellectual level is high. They are well educated and trained in safety and are eager to serve, so they are not inferior to Japanese.

Recently, the mass media have been reporting that the stewardesses are part-timers, but that only concerns their employment status; they would have received the same training and worn the same uniforms.

Regarding these rationalization measures by airline companies, Transport Minister Kamei made critical comments that are difficult to understand.

He says, "safety is the problem," but the company involved is hurt the most if safety is violated. The airline company is the party that is distressed the most when an aircraft crashes. Perhaps, they think that concerning transportation matters, whether airlines or Shinkansen train lines, no one can oppose if they use the "safety factor" as the trump card. The current issue is not a matter of concern to the minister and is not a problem to be interfered with by the Transport Ministry.

How can they make such careless comments when the tide of deregulation is surging into the airline industry? Wouldn't it have been proper to show the evidence clearly if they had intended to resort to forceful means? What are the causal relations that make them say transfers from subsidiaries (contract employees) cannot perform their jobs safely? Isn't the use of contract employees, transfers, and part-timers firmly established in ordinary companies? For what reason are they saying that the employment status determines whether stewardesses can, or cannot, perform their jobs? This is plain discrimination.

It is understandable if the claim is that safety consciousness is lacking because they have not received stewardess training. However, the transport minister is declaring that it is unsafe because they are not regular company employees. It must be said that this represents a violation of the equality guaranteed by the Constitution which forbids discrimination on the basis of sex, beliefs, family status, and color.

Whatever his reasons, it can only be taken as a statement made to score points by an amateurish minister who is totally ignorant of the actual conditions of the current airline industry. He should withdraw his statement immediately and apologize to the people. If not, he should resign without delay.

To threaten a crackdown for noncompliance by flaunting its certifying authority that "companies that do not comply with administrative guidance will not be granted additional favors," is the same tactic used by gangster organizations.

Also, he is saying that the "management staff should make self-sacrificing efforts before touching employment conditions." That is true, but how much does he think could actually be saved even if the administrative staff is reduced by half? At the most, it would be about 100 million yen. On the other hand, if a new system is introduced in hiring stewardesses, the difference would amount to tens of billion yen.

Furthermore, he is even saying that, "if business comes to a standstill after complying with the administrative guidance, the government will accept the responsibility to support it." In short, the government will make up the deficiency, that is, spend tax money. Because of such thinking, Japan becomes a country with an extremely high tax burden among the advanced countries. Moreover, corporate vitality is weakened and society stagnates.

Lastly, I want to say this to the three airline companies. It is normal for this country's ministers to rotate and change every 10 months, on the average, in the postwar period, so it is foolish to raise a fuss now. It is wiser to apply again after the minister changes.

Abandon "Distributive Politics"

Kan Kato, Keio University professor

At present, people are confused about the appearance of the Murayama cabinet and are even more bewildered by the transformation (heart) of the Murayama SDPJ.

It appears that the traditional lines have been altered without a word of apology. To begin with, it went from approving the constitutionality of the SDF to then acknowledging the current status of unarmed neutrality as only a theoretical doctrine, and from recognizing the realities of the Rising Sun flag and the *Kimigayo* anthem to recognizing PKO. Aside from the explanation that it took over the government reins, the reasons are not clear, so the confusion increases. I do not think the union between the LDP and SDPJ is illicit because there is a go-between called "Sakigake," but if the LDP had deceived the SDPJ, it would be marriage fraud, and if both parties had been aware, it would be a faked marriage. Unless the reasons for the transformation (heart) are clarified, the intent would not be known. However, I believe that the LDP, which seized the government reins while the former ruling coalition party was moving about aimlessly, is an assemblage of experienced politicians and the present opposition party, made up of many neophyte politicians, was unable to put up a fight.

For that reason, however, the present Murayama cabinet does not have the freshness that the former ruling coalition parties had. Freshness alone does not make a party better but the present ruling party, which lacks freshsness, does not have as much public support as the former party. The reason is that though the people are anticipating drastic reforms for Japan, the Murayama government is occupied with maintaining the status quo and only makes statements recalling the past instead of looking ahead to reforms. The following two points, at least, should be considered carefully.

First, accepting the U.S.-Japan Security Treaty and approving the constitutionality of the SDF are proper actions, but, from the standpoint of many citizens, they only confirm the past and, though they are reforms for the SDPJ, they are not reforms to move Japan forward. Though many approved the LDP's activist policies, including revision of the Constitution, people were probably somewhat relieved by the SDPJ's protect-the-Constitution advocacy which had a softening effect. Realizing that, the SDPJ shelved the impractical theory of unarmed neutrality and appears to be satisfied with its proposal to hold down the rate of increase of next fiscal year's defense budget to 0.9 percent, but will such actions confirm the SDPJ's transformation (heart)?

"From ancient times to the present, the intercourse among the world's nations has not been based on morals and sentiments; nor should it have been governed through laws and promises; national gains and military power were the only two ingredients of importance to both sides. Until yesterday, they might have been the friendliest of countries through treaties of peace and friendship, but today, if one side does not have a military force to fear but has spoils to be taken, then, conquer and seize them. There is no other party in the world to stop it. In the midst of such dangerous international association, the necessity of armaments to protect one's independence and, thereby, to crush the other's independence is evident, of course, without being told so by the wise. (omission) Without establishing sovereign rights, trade advantages cannot be obtained. Of course, I am not a person who seeks war; I hope that efforts will be made to avoid them, but I believe in sufficient preparation to protect our trading rights against foreign countries" (Yukichi Fukuzawa, *Civilian Economy Record*, 2d edition).

Of course, efficient use of defense funds is necessary, but personnel expenses, provisions costs and installment payments for main armaments occupy approximately 80 percent of the budget. These expenses will increase by 2.8 percent next fiscal year but with a growth rate of only 0.9 percent, how can they manage without slashing funds for troop accommodations, such as improvements of barracks? If training expenditures are cut, the SDF might eventually become ineffective. When the hijack incident occurred in the past, SDPJ members clamored for dispatch of the SDF, but if they want to see the SDF become unserviceable, why are they approving its constitutionality? Aren't they insincere?

Second, the mass media are focusing SDPJ's transformation (heart) primarily on its approval of the SDF and the national flag and anthem but what Japan needs now are not these gestures. These are merely reflections on the past. The end of the U.S.-Soviet cold war signifies the reversal of socialist theories. J.M. Buchanan, the Nobel Prize economist, states as follows:

"Communist and socialist ideologies have already begun to recede. Ironically, however, democratic societies have begun to incur a new internal problem. That is the emergence of huge governments in countries throughout the world, and people's distrust of politics and failure to exercise voting rights are on the increase. This is a breakdown of democracy" (June 1993 issue of SEIRON).

People are engrossed in earning income and enlarging their share as much as possible. Reflecting the people's will, governments are also devoting their energies to promoting the "policy of redistributing income." Buchanan calls that "distributive politics" and what the Japanese refer to as "doling out welfare" corresponds to that. If the SDPJ is willing to give up this socialistic concept, the Murayama cabinet has made a great transformation.

However, up to the present, with respect to the rice price problem, the public utility rates problem or social capital investments, the Murayama government has not shown the determination it says it has to carry out reforms. Undertaking the reforms is a move toward a small government but all the measures it is trying to adopt call for a "big government." In other words, it is "distributive politics." If the Murayama regime changes this policy, the Murayama government's reform is genuine.

Not a Supreme Commander

Akihiko Ushiba, SANKEI SHIMBUN staff member

Needless to say, the "reversal" of the SDPJ, brought about by the birth of the Murayama regime, was shown most drastically in the national security issue.

At any rate, since the party, which had opposed the U.S.-Japan Security Treaty for nearly half a century and claimed that the existence of the SDF was unconstitutional, had suddenly declared, one day, "firmly maintain the security treaty; the SDF is constitutional" so this was certainly an epochal event.

The expectation that, "since the SDPJ has finally occupied center stage, future defense discussions should rise above the hollow 'dogmatic debates' on the Constitution and become realistic," has been rising even among those who had forsaken the SDPJ and that is understandable, but in reality, will matters really proceed smoothly? Considered on a short-term basis, let alone the long term, apprehensions about the SDPJ still cannot be wiped away.

The foremost concern is the treatment accorded defense problems in the basic party line.

As everyone knows, Prime Minister Murayama summarily changed the stance on "unarmed neutrality," which had been the party's prized slogan, not after careful thinking nor after thorough discussions in the party. Rather, the truth is that, because he wanted to hang on to the government reins at any cost, he took the bait offered by the LDP without shame or pride.

To put it conversely, one can say that it shows how lightly Prime Minister Murayama regards national security problems. National security should be the most vital concern of a nation. How much trust can you place in a person or party, which readily abandons even convictions concerning vital issues without reflections or discussions, as long as benefits are to be gained?

The second concern is that SDPJ members as a whole are ignorant to a fault about military problems.

There is a famous episode that, at his first press interview after assuming the prime minister's position, when attention was directed to him "as the supreme commander of the SDF...," Prime Minister Murayama stated, "I'm not anyone like a supreme commander," and though he might've been slightly embarrassed, he showed how ignorant he was about the SDF.

To be sure, there are Diet members in the SDPJ who are so-called "defense specialists." However, the only activities they engaged in were to find faults with the SDF and conduct a type of "destructive operation" to discredit the U.S.-Japan security setup so they were ineffectual when earnest policy discussions were held. Even with so-called "realistic discussions," there is some concern that mutual understanding would be impossible because the differences in basic knowledge are too vast, like elementary school pupils participating in college students' seminars.

The third concern is the party's built-in trait of being blinded, as they flaunt their slogans and ideals, and seeing illusions as realities. Since the political party called SDPJ is a party that got its start by shutting out realities, it might only be natural, come to think of it, that such habits cannot be readily altered, but that bad habit appeared at the important stage of setting the ceiling for next fiscal year's budget request estimates, so it cannot be overlooked lightly.

Initially, the Defense Agency requested a 2.8-percent rate of increase (130 billion yen) over the preceding year. It was a minimal request since it was only enough to cover essential increases of 100 billion yen for personnel expenses and 30 billion yen for U.S. Forces in Japan, and was a reduction in real terms for other expenditures.

However, the Murayama government held down the rate of increase to 0.9 percent (43.3 billion yen). The Defense Agency was forced to cut the budget by 80 billion yen. Since set expenditures such as personnel and provisions expenses and installment payments for purchased armaments occupy 80 percent of the defense budget, education and training must be curtailed drastically. Sarcastic comments are heard that, "this is the same as saying the SDF will be recognized but their activities will not be approved" (Ground Staff Office) and there is considerable concern that creating a "vacuum period" midway in the defense buildup plan, which requires continuous augmentation, will leave bad effects for years to come.

Why did the Murayama cabinet have to set such rash budget limits? The reason is that "we wanted to show the distinctive feature of a dovish cabinet" (Chief Cabinet Secretary Igarashi) and the situation appraisal, "the world's general trend is toward arms reduction" (Prime Minister Murayama) was brought out to justify that.

It is true that large arms reductions were carried out in both the United States and Russia, and also in Europe, after the end of the East-West cold War. However, to cope with subsequent changes in Russia and the reality that a greater number of conflicts are erupting than during the cold war, the existing situation reveals that brakes are being applied to such trends. Especially, in Asia, the PRC's defense budget has increased by over 12 percent for five consecutive years (approximately 22 percent this year) and the truth is that various countries, driven by fear and suspicion, are rushing simultaneously toward military expansion.

During this period when countries throughout the world, intimidated by premonitions of world upheavals, are earnestly groping for the ideal military strength to cope with the new age, it is just like the SDPJ alone to be singing the praises of peace, but the blame of the LDP, which is siding with the SDPJ to maintain power and is neglecting its responsibility to the people, is also big.

Just Before a Big Eruption

Keiji Shima, Shima Media Network representative

When I was listening to Prime Minister Murayama's policy speech, I suddenly recalled the famous speech made to the people by J.F. Kennedy when he became president, "Think not what your country can do for you but what you can do for your country," and I was comparing them.

At present, Japan is faced with numerous problems, internally and externally, such as U.S.-Japan relations, the UN permanent membership issue, tax reforms, administrative reforms, etc. I became worried about placing our trust in a government in which creating images, which turned attention away from the realities of such problems, took precedence. Like it was with Kennedy, the question before us is how to build our future Japan and to demand sacrifices from the people to accomplish that. Why can't the government say that will help the country?

It is true that the Murayama regime is the government which somehow settled the confusion following the Hata cabinet. Also, the fact that the SDPJ, which had "opposed everything" in the past, adopted a realistic course and found common ground with all the parties except the JCP, should be appraised as a credit to this government.

However, though the conversion is good, it has been too abrupt. They changed their doctrines and principles very casually. There is a saying that "the wise change their minds," but the proper way is to give clear explanations. They claim the reason is that the cold war structure collapsed, but the cold war ended five years ago. What were they doing during that period? Isn't the timing completely off?

Because of such a government, public utility rates, which had been frozen after much effort, will be raised again. In contrast to civilian companies, which are making desperate management efforts through restructuring and reengineering in the face of difficult problems, what are the public utility enterprises doing? For the present, they claim that "they will hold down the rates to an acceptable level" but that does not mean anything since they are being manipulated by the bureaucracy and interest groups.

Bureaucracy-led politics are clearly worsening. It is certain that more and more bureaucratic abuses will appear. Since all of the main cabinet positions are occupied by the LDP and Murayama, himself, has changed his course toward LDP politics, there is no way the government-bureaucracy-industry complex can be improved.

Though making administrative reforms their slogan, successive prime ministers have not been able to abolish even one bureau so how can Murayama, an ex-official of Jichiro [All-Japan Prefectural and Municipal Workers' Union], accomplish that? There were many inconsistences in Hosokawa's and Hata's regimes, too, and though they worsened, they were never resolved.

Putting aside the question of whether they have a sense of guilt about such matters, there will be a great confusion over demarcation when the small constituency system is introduced. The LDP will probably try to put up candidates in all of the 300 electoral districts, while the SDPJ is planning to field 150 candidates and Sakigake, 50. With nearly twice the number of candidates for the available seats, coordination of any type is impossible.

In fact, Diet members are already active in their own constituencies and among the LDP representatives, there are some who saying, "they will leave the LDP if they are going to be shunted to proportional representation districts." By playing up Murayama, the LDP was able to survive and regain the role of ruling party but the "Kono-Mori" leadership does not have a firm grip of party members and is not respected even by some in Kochikai and Seiwakai. The LDP is about to split.

Because of strong opposition to Ozawa and to Ichikawa-Komeito, the former coalition ruling party, too, is having difficulty forming a new-new party. The situation is equally harsh for both ruling and opposition parties.

Since the redistricting problem will arise under these circumstances, the entire political world will inevitably be in great turmoil around the time the fall extraordinary Diet session convenes.

At that point in time, the Murayama regime will probably end. However, a regime to replace it is not available yet so it might barely survive in form only. The viewpoint that the Murayama Cabinet will be a long-term regime exists only because the next potential regime has not appeared. The people are resigned because there is no other alternative.

Internally, the LDP and the SDPJ are moving toward reorganization. You might say that the present government is atop the crater of a volcano that is steadily accumulatinmg energy. There should be a big eruption as early as this year, or at the latest, before the unified local elections next year. A full-scale reorganization should take place then.

People Have Lost Interest

Kazuya Fukuda, literary critic

Instead of appraising the Murayama regime, I want to examine the atmosphere surrounding the government or the feelings that the people have toward the government.

The approval rate of the Murayama regime increased slightly but it is still at the 40-percent level and is not only considerably below that of the former coalition but, as heretofore, disapproval exceeds the approval rate.

However, I think that this figure does not signify that the government is unstable, to be sure, nor that it is unpopular.

Rather, I feel that the regime is giving to the people, or winning from the people, popularity and assurance of a limited scale that does not require popular support to sustain.

That does not mean that questionable slogans, such as "gentle politics," or unfounded labels, such as "dovish government," have been accepted by the people.

Nor is it because the rustic simplicity of the present prime minister, as compared with his predecessors who bought shirts at Beams or waved the baton in orchestras, is being looked upon more favorably. The reason is that this government's regressive, or passive, attitude to refrain from presenting concrete measures coincides with the people's feeling.

Now, let us consider the changes in the political framework since last year, the cause of the collapse of the 1955 setup and what the driving forces were.

From the viewpoint of an international society or the world history, the motivation was for Japan to change the domestic setup—from politics to economy and to even the media—to cope with the new world situation upon termination of the cold war.

However, internal political energy did not necessarily follow the international trend. The greatest forces arousing public opinion were criticisms of corruptions which peaked with the Sagawa Kyubin incident and opposition to national politics which became detached from public awareness and to professionalization of politics, including the increase of second-generation Diet members.

On the one hand, the frustration appeared as deep-rooted personality criticisms of the Ichiro Ozawa group, which had belonged to the LDP mainstream and led the political reform movement, and on the other, vacuous circulation of the slogan, "reform," and praises of irresponsible amateurism became widespread.

However, the enthusiasm that the Japanese people held a year ago for reform seems to have been lost already, for the most part.

The reason is that, as revealed by the establishment of the Murayama regime, political reorganization had progressed to the stage where the framework of national polity had to be disclosed publicly. Also, criminal investigations have exposed, to a considerable extent, the dealings of politicians, including relations with the construction industry.

Above all, however, the people have lost interest. They do not care about political reforms and are tired of thinking about deregulations, post-cold war world order, etc.

On that score, I think the Murayama regime is keeping in line with the changes in the people's feeling. Also, I think that the support rate is the same as for preceding LDP governments because it reflects the feeling of stability and assurance rather than popularity.

The political management, which fully utilizes the know-how of national politics, is not as risky as the former coalition and because it is made up of the LDP and SDPJ, a union that is impossible on the basis of principles, as far as policy matters are concerned, as revealed by Prime Minister Murayama's acknowledgment of the SDF constitutionality, there is a flexibility that anything is possible so internal troubles and complications do not arise. From the standpoint of the people, more than the assurance provided by the lineup of familiar faces, they like the fact that they are not asked to show interest or pay attention. About the only items drawing the people's attention are the prime minister's eyebrows and the attire of the Science and Technology Agency director general.

If this regime is responsive to such popular sentiments, it might be called a justifiable government from the standpoint of democratic principles.

However, whether this government is proper or desirable for present-day Japan is another question.

The most troublesome aspect of Murayama regime's relationship with the general populace is not its passive attitude about reforms or that it is trying to crush reforms, as is widely reported. Nor is it the attempt to defer the issue.

The problem is its method of trying to explain the issues facing Japan smoothly and "gently," without making the people fully aware, and to mollify and respond to the people's will through that deception.

To put it conversely, the recent governmental change has posed a big problem to leaders who advocated political reforms.

They did not change politics by advocating the proper courses or explaining the unpleasant facts to the people. They utilized the media and took advantage of the frustration, which was unrelated to the substance of the reform, to conduct their activities.

The true merits of reform leaders are being questioned, especially now, because the people's interest has been dampened. Needless to say, the question also arises as to whether the Japanese people really have the desire and capability to make politics function properly.

SDPJ Prime Minister, Too

Nobuhiko Sakai, University of Tokyo assistant professor

Environment Agency Director General Sakurai resigned because of a statement concerning again, a historical problem. Director General Sakurai's stupidity is that he has not learned at all from the past, though a number of ministers had already fallen because of the same misdeed, and the spineless withdrawal of his own statement. If such a person with so little political sense is being called a capable politician, then Japan cannot be a rational country.

Incidentally, the fact that the lead article in the 13 August issue of ASAHI SHIMBUN, which carried Sakurai's statement, was an account of Prime Minister Murayama's "Peace and Friendship Exchange Project," finalizing plans for 100 billion yen in postwar compensations over a 10-year period, was truly insightful. How this will develop in the future is unclear, at present, but I was deeply interested in the fact that the historical issue has appeared constantly during the political reorganizations taking place since last year. That is, both prime ministers of the former coalition government, Hosokawa and Hata, had been unusually interested in historical reflections and apologies and the SDPJ prime minister, too, is the same. In any case, politicians of either side cannot be counted on to ameliorate the historical problem in the foreseeable future. Therefore, rather than discussing immediate problems, I want to comment on basic viewpoints concerning the historical problem, which is hardly noticed by the public.

I think that "hypocrisy" and "perversion" are the keywords to understanding the historical problem. By the historical problem, I mean the problem of facing criticisms that the Japanese do not reflect on, apologize, and compensate for the past history and, needless to say, the leftists and media have been raising this issue in this country. Their thinking should be labeled as Phariseeism, replete with hypocrisies, but through the media's propaganda power, that has been perverted and is being accepted in good conscience, with a very harmful influence being exerted on society. However, the deception in their assertions can be easily detected by observing their past and present. As a typical example of pharisaism, let us take the case of ASAHI SHIMBUN and concretely examine evidences of hypocrisy.

In the introduction to volume 4 of *Collection of China Incident Photos*, published in December 1938, there is a statement, "since the outbreak of the incident, ASAHI SHIMBUN has already dispatched 400 war correspondents and 200 photographers to battlefields in north and south China...." Also, in the same year, ASAHI SHIMBUN sponsored the "War Arts Exhibition" at the Tokyo Municipal Art Museum in Ueno, which was viewed by 67,000 persons in 19 days, and thereby contributed to raising the war sentiment. In other words, it is evident that ASAHI SHIMBUN participated very actively in the war. However, I have never heard that ASAHI SHIMBUN reflected on its wartime self and apologized. Then, what does that mean? That proves conclusively that the historical reflections and apologies which the ASAHI SHIMBUN is preaching constantly, at present, are not intended to be sincere acts but mere hypocritical gestures. The reason is that reflections must basically originate in oneself.

I want to make it clear that I'm not saying ASAHI SHIMBUN is wrong for not reflecting on what it did during the war. ASAHI SHIMBUN is at fault after the war and at present. ASAHI SHIMBUN's postwar crimes are the problem. For example, while censuring the violence of the Japanese Army, ASAHI SHIMBUN has been abnormally tolerant of extreme leftist militants, called the "radical faction," and contributed greatly to the expansion of their strength. In addition, there are the "PRC" news reports and the textbook incident articles, and ASAHI SHIMBUN's postwar crimes are too numerous to mention. Moreover, they have not reflected, at all, on any of these actions. How can they reflect on the actions of their predecessors if they cannot reflect on the past in which they were directly involved?

There are many other proofs that ASAHI SHIMBUN's "reflection on history" is a sham. Of them, the reporting on Tibet is probably the simplest to understand. To begin with, the essence of ASAHI SHIMBUN's "reflection on history" is undoubtedly a "reflection on aggression." Then, as to whether aggressions exist in the world today, it must be said they exist prominently. I had the privilege of writing a detailed account in the May issue of this magazine but PRC is unmistakably an aggressor nation and the Chinese are "flagrant aggressors." If ASAHI SHIMBUN believes sincerely that the Japanese rule of Korea had been wrong, it should feel compelled to report on the tragic realities of Tibet. However, while reporting the East Timor problem in Indonesia, ASAHI SHIMBUN has completely ignored the Tibetan problem. The phrase in the speech by former West German President von Weizsacker, "those who close their eyes to the past are also blind to the present," has been quoted repeatedly by ASAHI SHIMBUN as proof that Germany was reflecting on its past but Japan was not. Well, let us switch "past" and "present" in the phrase. Those who close their eyes to the present are also blind to the past. The brains of ASAHI SHIMBUN are so perverted as to be grotesque.

What was reported above about the ASAHI SHIMBUN are accusations which apply equally to many other media sources and, of course, to the left wing, particularly the SDPJ. The forerunner of the SDPJ did not oppose the war. The SDPJ teamed up with leftist rioters and blocked the Narita Airport construction zealously. The SDPJ established the so-called "Asian Human Rights Foundation," but is totally unconcerned with the Chinese human rights problem.

Well, it is being reported that recently, the SDPJ reversed its course dramatically and approved the security treaty and the SDF, but that is definitely untrue. A number of years ago, the PRC had acknowledged the security treaty and the existence of the SDF, but the SDPJ did not break away from the PRC at that time. The SDPJ might be called the servant of the PRC. Then, what is the essence of the current political reorganization? That is not the transformation of the SDPJ but the orientation of Japan, in entirety, toward the SDPJ. In that sense, Murayama might be said to be the most fitting person to be prime minister of present-day Japan.

* Diet Urged To Pursue Serious Policy Debate

952B0015A Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Oct 94 p 2

[Article by Masao Kanazashi, editorial staff writer, in the "Weathercock" column: "Diet Debate Turns People Off From Politics"]

[FBIS Translated Text] I listened to the Diet debate with strong feelings and feared that if the Diet continues in this manner, public interest in politics will progressively diminish. Last summer's general election brought about an end to single-party rule by the Liberal Democratic Party [LDP], resulting in a change of political power—the so-called greatest political reform. Nevertheless, the Diet, which is the center of politics, has not changed and is acting as if it exists in a different world.

Diet members, whenever possible, cry for political reform and stress the newness of their views and policies, but, in fact, much of their talk is phony. Events that have occurred since last year demonstrate that the situation is still the same. On the other hand, things that should have been changed have not been changed. Consequently, we wonder what kind of power shift really took place.

Drastic changes occurred in the political world, which resulted in three political power changes in one year, and which even brought about the establishment of a coalition cabinet by the LDP and Social Democratic Party of Japan [SDPJ]. Naturally this affected the Diet. Beginning with the appointment of the Speaker of the House of Representatives Doi and the Deputy Speaker Kujiraoka, other changes included the inactivity of the Diet policy groups, and there were signs that two major political parties may be established, prompted by the formation of a new parliamentary group "Kaikaku."

But in the operation of the Diet, especially in the deliberation of core Diet functions, such as Diet plenary sessions and committee meetings, except for a few instances, the discussions were boring as usual, tending to put members to sleep. In particular, the interpellation of the first plenary session of the Murayama cabinet was very boring.

There were reasons for this, because not only was the questioning by the opposition very dull and uneventful, but also the lack of true differences between the coalition and the opposition made it difficult for the opposition side to attack the governing coalition. This was because the SDPJ changed its position, deciding to go along with the LDP's policies. On the other hand, Prime Minister Murayama only read his position papers, which were noncommittal and prepared by bureaucrats. Consequently, because of the lack of confrontation, there were no lively debates.

Unlike the bureaucrats, most politicians are traditionally good talkers, and their speeches, given at social occasions, are quite interesting. This is natural, because politicians need to have this spirit of serving, as well as the art of talking, in order to obtain the support of the voters.

However, once they enter their workplace, the Diet, their speech patterns become stereotypical, and they cannot function without the help of position papers prepared by the bureaucrats. This is strange. Perhaps they are afraid to make mistakes or make promises that they cannot fulfill or to propose new ideas which counter their previous positions. Also, because of this concern, the politicians are unable to bring out their natural attributes, and they become defensive.

I wonder how serious the Murayama cabinet is about true political reform. It took up political reform, including the reviewing of relations between politicians and bureaucrats, as the most important task to handle. However, to what extent is the administration aware that real political reform can only be achieved when the legislature—and not the governing administration—truly becomes the core of politics. If the administration is confident of its own policy, it should face the Diet in a straightforward and positive manner. Only then will the power of politics be reinstated.

The era of showing Diet deliberations on TV is dreadful. Politicians should fear that an empty Diet will prompt public distrust and criticism toward the politicians. Especially, irresponsible questioning and debate held at the plenary sessions are, in most cases, not worth discussing and only give the impression that Diet debate is boring and worthless.

The term "Diet reform" usually centers on such matters as push-button devices used at the Diet, reviews of cabinet members' attendance at budget committee meetings, and schedules of cabinet meetings. However, a more important matter is how to return the Diet to its practice of deliberation and simulating discussion. The change of political power was achieved after much pain. If the political parties still oppose each other, but ignore serious debate, they do a disservice to the center of debates, the Diet.

North Korea

U.S. Brigadier General's Remarks in Paper Noted

SK1711045294 Pyongyang KCNA in English 0422 GMT 17 Nov 94

["U.S. Anachronistic Military Attempt To Stifle DPRK"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The U.S. military openly disclosed its attempt to stifle the Democratic People's Republic of Korea in a military way, according to a report from Tokyo.

Brigadier General George Norvud [name as received] of the 35th tactical combat flying corps of the U.S. Air Force in an interview with the U.S. paper STARS AND STRIPES which was published on November 15 blared that the fighter planes of the U.S. Air Force based in Misawa of Japan are "now regarding as a preferential target the territory of North Korea", not the Far East area of the former Soviet Union. He said that the U.S. Forces "are paying greater attention to North Korea".

This tells that today when the Cold War came to an end the U.S. belligerent military regards the DPRK as the main target of aggression and continues running about without discretion to stifle its socialist system with strength.

The attempt of the U.S. military circles to stifle the DPRK in a military way is very anachronistic.

The fact that the U.S. military is becoming more undisguised in its attempt to stifle the DPRK in a military way at the present juncture when the framework agreement was adopted between the DPRK and the United States shows that the U.S. belligerent circles dislike the settlement of the nuclear issue on the Korean peninsula through dialogue and try to gain excessive profits by aggravating the situation.

But strength is not almighty. The U.S. military will gain nothing from it.

ROK: Agreement 'Diplomatic Victory' for North

SK1711113294 Pyongyang KCNA in English 1045 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—South Korean newspapers have widely reported the publication of the framework agreement between the DPRK and the United States as a diplomatic victory of North Korea.

SEOUL SINMUN quoted the lamentation of puppet lawmakers that the North won a diplomatic victory and the United States made an unprecedented concession in the world history of diplomacy, and South Korea paid the price of the concession.

South Korean newspapers reported that the dear leader Comrade Kim Chong-il is highly praised for winning the greatest victory at the DPRK-USA talks.

TONG-A ILBO in a news analysis described the "wonderful fruit" won by the North as "a great event which is more than enough to gracefully decorate the official emergence of the Kim Chong-il system."

South Korean papers say the U.S. "strategy of peaceful transition" has been caught in the trap of the extraordinary wisdom of the dear leader.

Major dailies of South Korea quoted Nicols Everstart, professor of Harvard university and an expert on the Korean question, as saying in an article contributed to THE NEW YORK TIMES that the dear leader Kim Chong-il not only defeated the United States with his stratagem but also compelled the U.S. to bear the burden of billions of dollars with his verbal tactic." [no opening quotation mark as received]

South Korean newspapers also reported that the Korean people unanimously say that the successful conclusion of the DPRK-U.S. negotiations on the nuclear issue is a result of the wise guidance of the dear leader.

SEOUL SINMUN carried a telephone interview of NIHON KEIZAI SHIMBUN of Japan with Pyongyangites. In the interview, Pyongyangites said "the nuclear issue could be resolved between the DPRK and the United States because Comrade Kim Chong-il, to whom we wholly entrust our destiny, led us in a right direction," "The Korean people think all the points of agreement accord with the instructions of the dear leader Kim Chong-il" and "The resolution of the nuclear issue is attributable to the leadership of Comrade Kim Chong-il."

Rallies Overseas Support North-U.S. Accord

SK1711113194 Pyongyang KCNA in English 1040 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—Rallies were recently held in Finland, Zimbabwe, Ghana, Denmark and Tanzania to support the framework agreement between the DPRK and the United States.

Reports and speeches were made at the rallies.

Zbigniew Wiktor, chairman of the National Executive Committee of the Polish League of Communists "Proletariat," spoke at a solidarity rally held in East City, Poland, on October 29.

In his speech, he said that although socialism was frustrated in Europe, only the Democratic People's Republic of Korea is steadfastly upholding the banner of socialism.

The adoption of the framework agreement at the DPRK-USA talks in Geneva is a shining victory of the diplomatic policy of Comrade Kim Chong-il, the supreme leader of the Korean people, he said, extending heartfelt congratulations to Comrade Kim Chong-il on the great victory at the talks.

A letter or a telegram to the dear leader Comrade Kim Chong-il were adopted at the rallies.

CPRF Denounces ROK Purchase of Weapons

SK1711103694 Pyongyang KCNA in English 1029 GMT 17 Nov 94

["CPRF Secretariat Denounces Kim Yong-sam Group's Scheme To Purchase Weapons"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] on November 16 published Information No. 662 denouncing the Kim Yong-sam fascist group for massively shipping in weapons of destruction from other countries, seeking only war and confrontation.

According to the information, the South Korean puppets are reportedly to sign a contract with the Matra Corporation of France on the purchase of 190 mistral surface-to-air missiles for naval ships worth more than 200 million francs.

In April this year they imported 36 Apache attack helicopters from the United States and deployed them for action and in May brought 12 CN-235m military transport planes from Spain and decided to purchase 120 F-16 fighter-bombers from the United States from June.

When all the fellow countrymen desire the peaceful reunification of the country and an atmosphere of peace is being created on the Korean peninsula with the successful conclusion of the DPRK-U.S. talks, the Kim Yong-sam group, going against this, continue to build up arms at fever pitch. This is a clear proof that they are persistently seeking a war, not wanting peace of the country and its peaceful reunification.

This also shows that the "economic exchange" and "cooperation" on the lips of the South Korean ruling quarters are no more than a lie and a false propaganda to cover up their moves for national division and war.

The Kim Yong-sam group, isolated and rejected within and without, is trying to get out of the crisis of its rule by inciting the war atmosphere and diverting elsewhere the attention at home and abroad. But this is a foolish dream.

'Systematic Arms Buildup' Noted

SK1711012194 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 16 Nov 94

[Information No. 662 issued by the Secretariat of the Committee for the Peaceful Reunification of the Fatherland in Pyongyang on 16 November]

[FBIS Translated Text] The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued the following information denouncing the Kim Yong-sam fascist ring which recently brought in massive lethal weapons from foreign countries in pursuit of war and confrontation.

CPRF Secretariat Information No. 662:

Recently, the South Korean puppet clique deliberately strained the situation on the Korean peninsula by extensively bringing in foreign weapons of mass destruction to South Korea. According to reports, the puppets will sign an agreement with the French company Matra to purchase 190 Mistral surface-to-air missiles worth more than 200 million francs. The Mistral surface-to-air missile that the puppets plan to purchase from France is appraised by foreign media as being the most advanced missile that outperforms the Stinger missile manufactured by the U.S. company General Dynamics.

It is a well known fact that the Kim Yong-sam ring has been running wild in the maneuver of a systematic arms buildup since it came into power by recklessly purchasing new weapons and war equipment from foreign countries. In April this year, the rascals purchased 38 Apache helicopters from the United States and positioned them for actual combat deployment. They brought in 12 CN-235 military transporters from Spain in May, and decided to purchase 120 F-16 fighter bombers from the United States in June.

At a time when the entire nation is longing for the peaceful reunification of the country, the Kim Yong-sam ring continues to be feverish in maneuvers to build up arms, running counter to the atmosphere for peace being created on the Korean peninsula after the settlement of the DPRK-U.S. talks. This is clear proof that the Kim Yong-sam ring does not want peace and peaceful reunification of the country and is still pursuiing war. It also shows that the economic exchanges and cooperation that the South Korean ruling camp is raving about is not genuine, but a mere false propaganda to conceal its maneuvers of war and national division.

It is a foolish dream for the Kim Yong-sam ring to attempt to escape its power crisis of being isolated internally and externally by heightening the war atmosphere and diverting the attention of the people at home and abroad. The Kim Yong-sam ring, which pursues only war and confrontation to maintain its power, and does not care about the future of the country or the destiny of the nation, is bound to face a disastrous end.

[Dated] 16 November, 1994, Pyongyang.

ROK Denounced for 'Hwarang' 'War Exercise'

SK1711050194 Pyongyang KCNA in English 0429 GMT 17 Nov 94

["Reckless Play With Fire"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The Kim Yong-sam war-thirsty elements have decided to stage a war exercise codenamed "Hwarang" against the North in various parts of South Korea from November 22 to 26, with the mobilization of large Armed Forces including the puppet land, Naval and Air Forces, Police, the "Homeland Defence Reserve Forces" and "Civil Defence Corps", a Seoul-based radio reported.

The wildcat military exercises which the Kim Yong-sam group continues to stage for a war against North, defying its repeated warnings, are extremely grave, premeditated and intentional military provocations intented to drive the situation of the Korean peninsula to a phase of crisis.

It must not go unnoticed that the puppets persist in their frantic bellicose acts going against the trend of times at a time when signs of the relaxation of tensions on the Korean peninsula are in sight with the DPRK-U.S. agreed framework entering into a stage of practical implementation.

This eloquently proves that the Kim Yong-sam group is a clique of traitors, pure and simple, and rabid bellicose elements who do not want the implementation of the DPRK-U.S. agreed framework and a detente on the Korean peninsula, but only pursue a total confrontation and a phase of tension.

It is obvious that the South Korean rulers are seeking a way out of the crisis of utter isolation in the provocation of a war against the North while crying for "dialogue" and "economic cooperation".

The Kim Yong-sam group must stop acting rashly, clearly seeing that the provocation of a war against the North would lead them to destruction.

Called 'Alarming Military Move'

SK1611143294 Pyongyang Korean Central Broadcasting Network in Korean 1307 GMT 16 Nov 94

[FBIS Translated Text] According to Seoul radio, the bellicose Kim Yong-sam ring has decided to stage the 'Hwarang' war exercise aimed at us in various places of South Korea from 22 to 26 November, mobilizing large-scale armed forces—including the puppet army, navy, air force, police, local reserve forces, and civil defense exercise.

The South Korean puppets are going to stage the 'Hwarang' war exercise following the 'Eagle-94' joint military exercise and the 'Pangpae' war exercise, which are completely contrary to the atmosphere of detente and peace. This is a very alarming military move [maeu simsangchianun kunsajok umjigim], which makes us be on the alert.

The Kim Yong-sam ring continues to proceed with the worthless playing with fire for a war of northward invasion, despite our repeated warnings. This is an extremely grave, deliberate, and intentional military provocation aimed at driving the situation on the Korean peninsula to a crisis by all means [choson pandoui chongserul kioko wigi sanghwangero moragaryonun kukhi omjunghan kyehoekchogin kouijogin kunsa tobal haengwi].

What matters is the fact that the puppets are continuously frenziedly engaged in the bellicose maneuver, running counter to the trend of the times, at a time when it is anticipated that the strained situation on the Korean peninsula will be eased as the DPRK-U.S. agreed framework has entered a stage of practical implementation [silchonjok ihaeng tangye].

This plainly proves that the Kim Yong-sam ring does not welcome the implementation of the DPRK-U.S. agreed framework nor hope that the strained situation on the Korean peninsula is eased, and that he is an out-and-out national traitor and the top-grade warmonger [tuktung hojongwang] who only pursues overall confrontation [chonmyon taegyol] and a tense situation [kinjang kungmyon].

South Denounced for 'Provocative War Exercises'

SK1711050594 Pyongyang KCNA in English 0432 GMT 17 Nov 94

["Ceaseless War Exercises Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The South Korean puppets staged provocative war exercises against the North in the forefront area on November 14 and 15, according to military sources.

On November 15, a formation of four helicopter gunships of the puppet army in the sky above Paju County, Kyonggi Province, just under our eyes, engaged in an exercise for a missile strike at objects of our side.

On the same day, a group of heavy tanks of the puppet army took offensive positions in Paju County and fired 160 shells, advancing towards the DMZ at the highest speed.

On November 14 and 15, 105 mm artillery groups of the puppet army deployed in Paju and Yonchon Counties, Kyonggi Province, and Inje and Chorwon Counties, South Korean Kangwon Province, fired about 700 shells each day.

This reckless war gamble that is becoming more frequent with each passing day is an intentional and premeditated provocative move of the Kim Yong-sam fascist clique to check reconciliation and unity between the North and the South.

'Confrontation and Tension' Noted

SK1711050094 Pyongyang KCNA in English 0425 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The South Korean puppets on November 14 and 15 brought some 30 military vehicles carrying hundreds of bandits armed with machine guns and automatic rifles into M.P. [Military Police] posts and positions in the Demilitarized Zone (DMZ) of Pyonggang County, South Korean Kangwon Province, according to military sources.

The South Korean puppets committed military provocations against the North on more than 100 occasions in this period, illegally introducing armed bandits and lethal weapons in the DMZ along the central, east and west sectors of the front.

Such continued military provocations are driving the situation of the Korean peninsula further to confrontation and tension.

This proves that if such a heinous traitor and warmonger as Kim Yong-sam is left intact, neither the reconciliation and unity of the country nor the peace and reunification of the country can be expected.

Paper Denounces Nature of Japanese 'Militarism'

SK1711101694 Pyongyang KCNA in English 1008 GMT 17 Nov 94

["Aggressive Nature of Japanese Militarism Has Not Changed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The recent passage of the "amendment to the law of the Self-Defence Forces [SDF]" defining the "rescue of Japanese overseas" as its duty at a plenary session of the House of Councillors of Japan virtually means a legal permission of the military operation and armed intervention of the SDF abroad and it is little different from a declaration at home and abroad that it will carry this into practice at any moment and in any place, says NODONG SINMUN in a commentary today.

It is well known a fact that Japan cooked up a law on the overseas dispatch of forces under the pretext of "cooperation in the U.N. peace-keeping operation" and is dispatching troops of the ground "SDF" to different places of the world, the analyst says, and goes on:

In view of the habitual practice of the Japanese reactionaries and the precedent, it can be easily foreseen that they might legalize the overseas dispatch of the naval "SDF" this time under a new pretext.

If the overseas dispatch of the three services of the "SDF" is legalized, all the Armed Forces of Japan will spill out overseas in full scale for military adventures.

In this the Japanese militarists intend to revenge on their defeat, restore the old "empire", make Japan the leader of Asia and, furthermore, become an "international gendarme" and "dominator of the world".

Japan committed aggression and war in the past, crying for "peace in the East" and "protection of overseas Japanese residents".

The aggressive nature of Japanese militarism has not changed and can never change.

The Japanese reactionaries must know that aggression overseas is linked to their destruction.

Iranian Government Economic Delegation Arrives

SK1711131694 Pyongyang Korean Central Television Network in Korean 1100 GMT 16 Nov 94

[FBIS Translated Text] An Iranian Government economic delegation led by Mohammad Reza Vezvaei, vice minister of cooperatives, arrived in Pyongyang by plane on 15 November.

The delegation then expressed condolences before the statue of the great leader Comrade Kim Il-song on Mansudae. The guests laid wreaths before the statue and paid a silent tribute to the memory of the great leader who devoted his all for the people's freedom and happiness and for the cause of making the whole world independent.

Choe Kwang Meets Laotian Defense Delegation

SK1711053294 Pyongyang KCNA in English 0438 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—Talks between a DPRK military delegation and a delegation of the Ministry of National Defence of Laos were held in Vientiane on November 14.

Present at the talks on the Korean side were the members of the Korean military delegation headed by Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-chairman of the National Defence Commission of the Democratic People's Republic of Korea and chief of the General Staff of the Korea People's Army, and the DPRK ambassador to Laos and on the opposite side were Saingason Choummali, member of the Political Bureau of the Central Committee of the Lao People's Revolutionary Party and minister of National Defence, and other officials concerned.

The minister of National Defence of Laos said he was very glad to note that the fraternal Korean people and People's Army have achieved the development and prosperity of the country by applying the chuche idea under the outstanding and wise leadership of Comrade Kim Chong-il, the great leader of the Korean party and state. And he said the Korean People's Army has been strengthened and developed qualitatively and it reliably guarantees the security of the country and social development.

Noting that the achievements made by the fraternal Korean people and People's Army give conviction of the idea of socialism and powerfully inspire the Laotian people in their struggle for defence of the country and the cause of construction, he stressed: "The Laotian Party, government, army and people will extend invariable support and encouragement to the struggle of the Korean counterparts for the independent and peaceful reunification of the country".

"We will advance shoulder to shoulder with the Korean people till they have accomplished the cause of Comrade Kim Il-song under the leadership of the Workers' Party of Korea headed by the dear leader Comrade Kim Chong-il," he stated.

The talks proceeded in a friendly atmosphere.

Central Committee Sends Greetings to Malaysia

SK1711114594 Pyongyang KCNA in English 1101 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The Central Committee of the Workers' Party of Korea today sent a message of greetings to the annual convention of the United Malay's National Organization of Malaysia.

Expressing the belief that the annual convention would greatly contribute to the efforts to strengthen the party and promote the independent development of the country, the message expressed the hope that the convention would be highly successful and the excellent friendly and cooperative relations between the two parties and two peoples would continue to grow in strength and develop.

Bulgarian Party Hails Declaration on Socialism

SK1711045394 Pyongyang KCNA in English 0412 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The banner of struggle of the Communists and other revolutionary forces of the world for socialism and social progress in the international arena was lifted by the Workers' Party of Korea, said N.A. Andreyeva, general secretary of the Central Committee of the All-Union Communist Party of Bolsheviks, in her speech at the 16th Congress of the Bulgarian Communist Party.

The Pyongyang declaration, the first collective answer to the manoeuvres of modern imperialism of the world, represents the unshakable resolution of the communist movement to defend and advance the cause of socialism and substantially provide the people with freedom and equality, true democracy and human rights, she said, and continued:

"The Workers' Party of Korea founded by Comrade Kim Il-song and led by Comrade Kim Chong-il and the entire Korean Communists set an example in combining patriotism with socialist internationalism dialectically.

"The meeting in Pyongyang gave a strong impetus to cooperation among the Communist and workers' parties and all progressive forces and expanded and deepened it."

Book Called 'Road of Chuche' Published in Nepal

SK1511012994 Pyongyang KCNA in English 2217 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Book "Road of Chuche" written by Budacharya Sakiya, chairman of the Nepalese Committee for the Human Rights, was brought out in Nepal.

The book prints a picture of the great leader President Kim Il- song standing with the dear leader Comrade Kim Chong-il .

The author in the book which consists of four chapters says the founding of the chuche idea, the right guiding idea of the revolution, by the great leader Comrade Kim Il-song gives a brilliant solution of the historical task after which the era and the people aspire unanimously.

Dear Comrade Kim Chong-il is a sagacious leader who is leading the country and the people to a victory with his gifted ideological and theoretical activities and outstanding leadership in order to carry out the far-sighted plan of the great leader, the author points out, and stresses:

The Korean people under the guidance of the dear leader will neither hesitate nor step back under any complicated situation and in any ordeal and will more successfully build an ideal society of humankind, the overall embodiment of the chuche idea.

Replies Sent to Foreign Parties for Messages

SK1711045694 Pyongyang KCNA in English 0417 GMT 17 Nov 94

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent messages to foreign parties and party leaders in reply to their messages of greetings on the 49th anniversary of the party foundation.

The reply messages went to Youssef Faisal, general secretary of the Central Committee of the Syrian Communist Party; K.P. Silva, general secretary of the Central Committee of the Sri Lanka Communist Party; the Central Committee of the Workers' Party of Turkey; the Central Committee of the Progressive Party of the Working People of Cyprus; Yacob Zayadine, general secretary of the Central Committee of the Jordanian Communist Party; Feliciano Salomao Gundana, secretary general of the Central Committee of the Mozambique Liberation Front Party; Abdel Hamid Mehri, secretary general of the Central Committee of the Algerian National Liberation Front; President Betty Frydensbjerg Carlsson and International Secretary Lisbet Rahbak of the Communist Party of Denmark; Anthony Vassalo, general secretary of the Central Committee of the Communist Party of Malta; Yrjo Hakanen, chairman of the Central Committee of the Communist Party of Finland (Unity); the Central Committee of the Communist Party of Greece; the Central Committee of the Portuguese Communist Party; Eric Trevett, general secretary of the Central Committee of the New Communist Party of Great Britain; Juan Ramos, general secretary of the Communist Party of the Peoples of Spain; the Federal Committee of the Spanish Communist Party; the Central Executive Committee of the People's National Congress of Guyana; and Isidoro Tellez, general secretary of the Marxist-Leninist Popular Action Movement of Nicaragua.

The reply messages thanked them for their warm felicitations and best wishes on the 49th anniversary of the foundation of the WPK and expressed the belief that the friendly and cooperative relations between the WPK and these parties would continue to develop on good terms.

Protocol Signed With Russia on Medicine 14 Nov

SK1511064794 Pyongyang KCNA in English 0439 GMT 15 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—The 1994-1996 protocol on cooperation between the Ministry of Public Health of the DPRK and the Ministry of Health and Medical Industry of Russia in Health and Medical Science was signed in Pyongyang on November 14.

Present on the Korean side were Minister of Public Health Kim Su-hak and officials concerned and on the opposite side were members of the delegation of the Ministry of Health and Medical Industry of Russia headed by Vice-Minister V.N. Shabalin and Charge d'Affaires ad interim of the Russian Embassy here P.I. Yakovlev.

The protocol was signed by Vice-Minister of Public Health Choe Chang-sik and Vice-Minister V.N. Shabalin.

Russian Scholar on Kim Chong-il's Treatise

SK1711053494 Pyongyang KCNA in English 0443 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 [date as received] (KCNA)—Rector of the State Academy of Management of Russia Anotoliy G. Porshnev who visited Korea said that "Socialism Is a Science," a treatise of dear Comrade Kim Chong-il who has completed the ideology and idea of socialism as a science on the basis of the chuche idea, is an immortal classic work which is of great significance for the development of the world revolutionary movement.

Porshnev told a news conference here:

Comrade Kim Chong-il in his work scientifically analyses all the events and changes that have taken place in the countries where socialism has collapsed due to its renegades and gives the most perfect answers as to the role of the popular masses in socialist revolution and construction and the necessity and ways of their political and ideological education.

The way of enhancing the role of the party's leadership and arousing the revolutionary enthusiasm and creative zeal of the popular masses in the socialist revolution and construction clarified by Comrade Kim Chong-il is a guideline in developing socialism to a high stage.

The greatest exploit of President Kim Il-song is that he successfully solved the question of the successor of the leader.

"Socialism Is a Science," the treatise of Comrade Kim Chong-il which gives the most scientific answers to all the theoretical and practical questions raised by the times and revolution, is an immortal classic work which demonstrates the wisdom and ideological and theoretical prominence of him as the leader.

The succession of the leader's cause in Korea is firmly guaranteed because it has Comrade Kim Chong-il.

Kim Chong-il's Work Reported, Studied Abroad

SK1711045494 Pyongyang KCNA in English 0408 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was reported by the Zambian paper DAILY MAIL, the Peruvian paper EL MATUTINO, the Tanzanian paper MFANYA KAZI, the Thai paper BAN MUANG, the Mozambican paper NOTICIAS, Radio Citta Aperta of Italy and Radio Guinea.

A round-table talk on the work was held at the Ministry of Education and Culture of Tanzania.

Mwatu Mumalale [spelling of name as received], deputy senior secretary of the ministry, said: "After reading the work, I can clearly see the future road and the direction of struggle. His excellency dear Kim Chong-il said that man-centred socialism, socialism centred on the masses, is absolutely scientific and is the most advantageous and powerful socialism. He added that for its scientific accuracy and truth, socialism will without fail be revived and win ultimate victory."

Daniel Nda Gali [spelling of name as received], director of the General Bureau of Culture, described Comrade Kim Chong-il's work as a political encyclopedia which gives clear answers to urgent questions raised by the present time and as a beacon lighting the path of the Africans who are wandering about, unsteady of purpose.

A reading session and an explaining session on the work were held at the group for the study of the chuche idea of the Congolese socialist party and in Harare, Zimbabwe.

Kim Chong-il's Treatise on Socialism Reviewed

SK1711113894 Pyongyang KCNA in English 1059 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—The dear leader Comrade Kim Chong-il's treatise "Socialism Is a Science" is a monumental encyclopedia which comprehensively elucidates the scientific character and truth of socialism by focusing on man and a great inspiring banner which gives the world's revolutionary people the firm faith that the path of genuine socialism lies in building man-centred socialism.

NODONG SINMUN stresses this in a signed article today.

The daily quotes Comrade Kim Chong-il as saying:

"The scientific character and truth of our socialism lies in the fact that it is based on the absolutely correct, chuche-orientated view of and attitude to man."

It says:

What is significant, above all, in Comrade Kim Chong-il's idea and theory expounding the scientific accuracy and truth of socialism by focusing on man is that he put the theory of socialism on a new scientific foundation on the basis of the chuche-orientated view of and attitude to man's essential qualities.

The flawless definition of man's essential qualities clarified by the dear leader in the treatise is that man is a social being with independence, creativity and consciousness.

The law of socio-historical development expounded by him in the work is that, with the rapid development of man's independent ideological consciousness and creative ability and the enhancement of his role, the development of society and history is accelerated and the revolution and construction are successfully promoted.

He specified the socio-historical movement as a movement of the driving force, the movement which is started and developed by the active influence and role of man. This is a fundamental turnaround from the dialectical materialist view of social development to man- centred view, and it is a great event in which socialism as a science has been put on a new basis.

Another important point in Comrade Kim Chong-il's idea and theory on the scientific character and truth of man-centred socialism is that he fully elucidated the truth and superiority of socialism with a chuche-orientated exposition of the essence and the value of man's life.

He made it plain that man as a social being has socio-political integrity as well as a physical life and it is the intrinsic need of man as a social being to value his socio-political integrity more than his physical life.

He also stressed that a noble life for a man is to maintain and exalt socio-political integrity.

True human life, which enables everyone to enhance their most precious socio-political integrity and fully meet the demands of their physical life, can only be realized admirably in a socialist society based on collectivism, he declared.

In socialist society, love and trust flourish in the social community and between its members and among the individuals in society; they are demonstrated in the most sublime form between the leader and his men. When the leader and his men, and the party and the people are all tied by love and trust and the whole of society has been transformed into a socio-political organism so that all members of the society may proudly maintain their socio-political integrity, their life is the most worthwhile and beautiful life, and the socialist society that has realized this is a most superior society.

Kim Chong-il Sends Thanks to Various Units

SK1511065694 Pyongyang KCNA in English 0455 GMT 15 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, sent thanks to the Forestry Science Branch of the National Academy of Sciences, the third secretariat of the Administration Council, the general bureau for Overseas Compatriots Affairs, Rungra Company and Sin Tae-yong, director of the Pyongyang office of the Singwang Trading Company who have well tended the statues of the great leader President Kim Il-song and contributed to building up better the Korean Revolution Museum and the Party Founding Museum.

The speakers said at the meetings for conveying the thanks that they would arm themselves more firmly with the chuche idea, the revolutionary idea of President Kim Il-song and uphold the leadership of Comrade Kim Chong-il with loyalty, bearing in mind the faith that President Kim Il-song is always with them.

Overseas Koreans Visit Kim Il-song's Statue

SK1711103994 Pyongyang KCNA in English 1013 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—Members of the home- visiting group of students of Korean University of the General Association of Korean Residents in Japan (Chongnyon) and the home-visiting group of Korean students in Japan on November 15 laid bouquets before the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and paid a silent tribute to his memory.

Sin Song-pang, head of the home-visiting group of students of Korean University of Chongnyon, said that the members of his group could hardly repress yearning for the father of the nation, standing before his statue.

"We will hold dear General Kim Chong-il, the destiny and future of our motherland and nation, in high esteem as the great leader and staunchly struggle for the prosperity of the socialist homeland and the reunification of the country, bearing deep in mind the behests of President Kim Il-song", he said.

Special advisor to the president of the Republic of Uganda David Kaseera Kiblrango, a delegation of the university grants commission of India led by N.C. Mathur, vice-chairman of the commission, on November 16 and an Iranian Government economic delegation led by M.R. Vezvaei, vice-minister of cooperation, on November 15 laid a wreath and bouquets before the statue of President Kim Il-song and paid a silent tribute to his memory.

The special advisor to the Ugandan president said that he had visited many countries of the world, but could learn about the great man of the century, the greatest of the great men, only in Korea. "President Kim Il-song built in this land an ideal society which mankind desires," he added.

"Human history will remember forever the revolutionary achievements of the president and convey them down through generations," he stressed.

Paper Urges People To Learn From Kim Il-song

SK1711113694 Pyongyang KCNA in English 1037 GMT 17 Nov 94

["NODONG SINMUN Calls for Assiduously Learning From Personality of President Kim Il-song as Great Revolutionary"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—NODONG SINMUN today editorially calls upon the entire party members and working people to exalt the honor and dignity of the revolutionary people reared by the respected leader President Kim Il-song by deeply grasping and assiduously learning from his noble personality as a great revolutionary.

The great leader devoted his whole life entirely to the country and the revolution, the working class and the people till his age above 80, taking upon himself the destiny of the country and the people, the editorial says, and goes on:

Till his great heart stopped beating, he conducted tireless, energetic activities to accelerate the economic construction of the country, improve the living standard of the people and accomplish the cause of national reunification.

Indeed, respected Comrade Kim Il-song was a great revolutionary who died at his post of duty after devoting his whole life to the noble cause for the revolution and the people.

For the party members and working people to assiduously learn from the personality of the respected leader as a great revolutionary is an important requirement to exalt their honor of being true communist revolutionaries of chuche type unfailingly loyal to the party and the leader and an unshakable guarantee for successfully accomplishing the cause of Korean-style socialism, true to the intention of the leader in his lifetime.

What is important here, first of all, is to deeply grasp the boundless devotion of the leader to the country, the revolution and the people.

It was the immovable maxim of the great leader to find greatest joy in the revolutionary struggle for the freedom and happiness of the people and devote all his thinking and heart's blood to it.

Following the noble personality of him, a paragon of the great revolutionary, we should prepare ourselves to be true revolutionaries unfailingly loyal to the party and the revolution, the country and the people and always record every moment of our life with loyal feats.

What is important for the party members and working people in learning from the personality of the respected leader as a great revolutionary is also to deeply grasp his indomitable revolutionary spirit and strong will, actively display them in practice and grasp his noble human traits.

The dear leader Comrade Kim Chong-il is leading along a straight road of victory the revolutionary cause of chuche started by the respected leader Comrade Kim Il-song with matchless devotion and loyalty to the country, the people and the revolutionary cause. All the party members and working people should more deeply grasp and follow the personality of the respected leader through that of the dear leader.

Economic Targets Fulfilled 'Ahead of Schedule'

SK1711110794 Pyongyang KCNA in English 1050 GMT 17 Nov 94

[FBIS Transcribed Text] Pyongyang, November 17 (KCNA)—National economic plans for this year have been fulfilled ahead of schedule at industrial establishments of various divisions of the national economy in Korea.

The yearly targets have been hit more than two months ahead of schedule at 130 industrial establishments in Pyongyang including the Pyongyang aluminum products factory and the Pyongyang children's garment factory.

The Tongdaewon garment factory fulfilled the daily quotas at 200 percent to honor its yearly commitments at the end of August.

The North Hwanghae provincial hydrogeological prospecting corps beat its yearly target two months ahead of schedule on all indices. While fulfilling the plan, the corps actively introduced a test- drilling method suitable to the quality of rocks in the prospecting of power-station bedrock and underground water, thus increasing the drilling speed 20 percent.

The Sinuiju shipbuilding yard fulfilled its yearly plan at 104.5 percent on October 31. Now it continues to effect innovations in assembling and repairing vessels.

The Usi mine declared the fulfilment of its yearly ore production plan at 108 percent on October 20. Now it is surpassing its daily quotas 80 percent.

Many other units including the Kaesong export embroidery factory, the Kangyong disabled soldiers foodstuff factory, the Hwangju metal fixture factory and the Taetan geological prospecting corps have fulfilled their yearly assignments and are expanding their achievements.

People's Trust in 'Invincible' Party Noted

SK1711094094 Pyongyang Korean Central Broadcasting Network in Korean 1010 GMT 16 Nov 94

[Unattributed talk: "Our Party Is a Great Party With Invincible Might"]

[FBIS Translated Text] Traversing the long and rugged road, our party has made immortal achievements that will shine forever in history.

Because of its own brilliant exploits, our party is winning the absolute support and trust from our people and has a high level of dignity and prestige in the international community.

All the victories and successes of our party serve as the key to the invincible might of leading the popular masses to the single road of being ever-victorious.

The great leader Comrade Kim Il-song taught: Through a protracted revolutionary struggle, our party has won the absolute support and trust from the popular masses; has become united and held together as a rock; and has been consolidated and has developed into an invincible party with sufficient experiences and seasoned leadership capabilities.

Our party is a great party that is leading, with invincible might, the socialist cause to the single road to victory.

The invincible might of our party, above all, lies in the fact that it is solving all questions in conformity with the demands of the chuche idea, while consistently holding fast to its chuche-oriented position in revolution and construction.

It is the party's own intrinsic demand for the party of the working class to hold fast to its chuche-oriented position. If it fails to hold fast to its chuche-oriented position, but moves around in the embrace of others [namui pume nolgedoemyon], the party of the working class—which is the political leader [yongdoja] that is responsible for its own country's revolution and is struggling to realize the independence [chajusong] of the popular masses—will not only become incapacitated [muryokhaejilppunanira], but also do damage [mangchyomokkedoemnida] to the party and the revolution.

Since the first day of its founding, our party has vigorously accelerated the revolution and construction in conformity with the demands of the chuche idea, while firmly holding fast to its chuche-oriented, independent, and creative position of its own work and activities from beginning to end.

Earlier on, on the basis of scientific analysis of the distinctive character of the development of our country's history, the great leader Comrade Kim Il-song wisely led our party so that it could reject flunkeyism and dogmatism and could solve all questions arising from the revolution and construction in conformity with the aspirations of our people and the reality of our country, while putting forth the precious ideology: If a man follows flunkeyism, he is bound to become a fool; if a nation turns to flunkeyism, it will be ruined; and if a party falls into flunkeyism, it will harm the revolution.

During the period of history in which our party was faced with the question of imbuing the whole society with the chuche idea, the dear leader Comrade Kim Chong-il further consolidated and developed the chuche idea; carried out the building and activities of the party on the basis of the chuche idea; and focused the front for a main attack of the party's ideological work on the question of arming party members and workers with the chuche idea. Therefore, our party has worked out its lines and policies in conformity with the demands of chuche; has carried out construction in our own way; and has established a mode of life in agreement with our people's sentiments and aspirations.

Today, no matter how difficult and complicated the tasks—which cannot be solved with the existing formulas or technological experience—that have arisen one after another, our party has been able to solve successfully those tasks unflinchingly and unhesitatingly; and no matter how endlessly all kinds of corrosive actions of antirevolutionary ideologies continuously come from outside, our party has been able to display fully its might without ever becoming degenerate [choltaero pyonchildoeji anko].

The invincible might of our party also lies in the fact that the party is carrying out the revolution and construction on the basis of the strength of the popular masses in perfect harmony with the masses.

The party of the working class is the guiding force of the popular masses and has the mission to lead the fate of the popular masses with responsibility. Therefore, no one can think of the existence of a party that is far apart from the popular masses, nor one can talk about the might of a party without mentioning the strength of the popular masses.

The guarantee of the party's invincibility lies in the fact that the party carries out the struggle on the basis of the boundless strength of the popular masses in perfect harmony with the masses.

Regarding the question of achieving perfect harmony with the popular masses under the wise leadership of the great leader [suryongnim] as an important principle for party building, our party has firmly trusted and rallied anyone who loves the country and the nation around the party, and, on the basis of that person's wisdom and strength, has effected serious social changes and carried out the construction while cutting its way through repeated difficulties.

The following are the precious results that have been borne by the might of our party, which trusts the popular masses and carries out the struggle on the basis of the strength of the masses: Our party has overcome the rigorous hardships involving the difficult and complicated anti-imperialist, antifeudalistic, and democratic revolution, the fatherland liberation war, the socialist revolution, and the socialist construction; and numerous heroic epics—like the loyalty that was displayed to the 10 party members of Nagwon, the Taesong grandmother, and the working class of Kangson—have been created.

The might of our party achieved in the relationship of perfect harmony between the party and the people—in which the party trusts the people and the people follow the party—is being more highly displayed under the leadership of the dear comrade leader.

Today, our party is faithfully serving the people while enhancing the revolutionary character, the party spirit, the working-class spirit, and the fidelity to the people, upholding the slogan "Serving the people!" Our people are establishing great monumental structures, one after another, in the era of the Workers' Party, which are arousing all people's admiration, while displaying the mass heroism and matchless self-sacrificing spirit in the accomplishment of the party's policies with the single-minded loyalty of "What the party decides, we will do!" This forcefully displays the might of our party for which the party and the masses are in perfect harmony.

The invincible might of our party also lies in the fact that it is firmly realizing its political leadership over the whole society with the art of the seasoned leadership.

The party of the working class is the supreme form of organization among the organizations of the working class and is the leading political organization of the working popular masses.

Such a status and role of the party of the working class are guaranteed by the art of the seasoned leadership. Only the party, which has perfectly mastered the art of leadership—the method of activities and the leadership capabilities that move and lead the organization and the masses—can fully display its own function of leadership and can vigorously organize and mobilize the popular masses into revolution and construction.

Today, our party possesses the chuche-oriented art of leadership, which is based upon the chuche idea that was created by the great leader Comrade Kim Il-song, and has been developed and enriched by the dear leader Comrade Kim Chong-il, and which has embodied the revolutionary mass line.

The chuche-oriented art of leadership possessed by our party is a revolutionary work system and order in which the entire party is moving as one under the unitary leadership of the party Central Committee and in which the party committees at various levels supervise and give unified guidance to all works of the relevant regions and units. It is a revolutionary work method and a popular style of work that helps the popular masses keep their position as the masters of the revolution and construction and helps them fulfill their role as masters.

Because it has established the chuche-oriented art of leadership, and the revolutionary party work system, method, and style throughout the party, our party is firmly realizing its political leadership over the whole society with extraordinary organizational ability and driving force in creation and construction.

Therefore, as the political educator and organizer of the masses, our party is forcefully leading all people along the road to socialism; and is taking hold of, and is harmoniously developing the work in all sectors, including political, economic, cultural, military, and external activities.

Our party, which has perfectly mastered the chuche-oriented art of leadership, will serve as the political leader [yongdoja] that will organize and command people's activities in a unified way in conformity with the common demands and interests of the society.

Like this, our party is priding itself on being a party that is carrying out its activities while regarding the chuche idea as its leading guideline; a party in which the unitary ideological system has been established throughout the party and in which the entire party is held together in single-hearted unity; and an invincible revolutionary party that is accomplishing the revolutionary cause of chuche while enhancing the role of the popular masses in the blood relationship with the masses.

With a great history and invincible might, our party has traversed the road of proud victory and glory; and is wonderfully fulfilling its mission and duty as the revolutionary vanguard unit of the working class at the head of the socialist cause.

This notwithstanding, the cause of building our chuche-oriented party has not yet ended; and the road to revolution, which our party should traverse, is still long and rugged.

We should continue to struggle vigorously toward the new victory of the cause of the party building; and, to this end, we should uphold the question of imbuing the entire party with the chuche idea.

Herein lies the genuine road to rendering devoted loyalty to the leadership of the dear comrade leader who is adding luster, generation after generation, to the immortal achievements of the great leader who provided the ever-victorious, invincible great party.

We should uphold the wise leadership of the party and the leader [suryong] and continue to struggle indomitably along the road of revolution that began in the Mt. Paektu forest, thereby brilliantly carrying through mankind's independent cause, the socialist, communist cause.

South Korea

IAEA Proposes Sending Experts Team to DPRK

SK1711011494 Seoul YONHAP in English 0044 GMT 17 Nov 94

[FBIS Transcribed Text] Berlin, Nov. 16 (YONHAP)—The International Atomic Energy Agency (IAEA) will dispatch a team of experts to North Korea to discuss monitoring that country's freeze on its graphite-moderated reactors, IAEA Spokesman Hans Meyer said Wednesday [16 November].

He also said that Bruno Pellaud, deputy director-general of the IAEA Nuclear Safeguards Bureau, met with Kim Kwang-sop, North Korean ambassador to Vienna, at IAEA headquarters there earlier in the day.

At the first contact in five months, the IAEA explained the inspection measures needed to monitor North Korea's freeze on the operation of its graphite-moderated reactors.

Pellaud proposed that the IAEA send the experts' team to Pyongyang as soon as possible to begin discussing details of the inspection and to take part in such checks.

Kim reportedly responded that he had to report the IAEA's proposal to Pyongyang and would notify the agency of his government's stance after receiving instructions.

If things go well, a diplomatic source in Vienna said, the IAEA experts' team may be able to leave for Pyongyang this weekend.

Meanwhile, Yun Ho-chin, counselor at the North Korean Embassy in Vienna, said: "It was a kind of preparatory contact for technical consultations between experts. There were no detailed proposals related to IAEA inspections."

He added that the date and place for such technical consultations could be decided by this weekend.

U.S. Envoy Laney Offers 'Assurances' on Accord

SK1711021594 Seoul YONHAP in English 0204 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—U.S. Ambassador to Seoul James Laney offered assurances Tuesday that Washington will allow the delivery of core parts for North Korea's proposed light-water reactors only when the North guarantees its nuclear transparency.

Speaking at a dinner hosted by Defense Minister Yi Pyong-tae for participants in an international defense seminar sponsored by the Korea Institute for Defense Analysis (KIDA) and the Council on Korea-U.S. Security Studies (CKUSS), Laney stressed that Pyongyang must meet its international obligations including adherence to the nuclear non-proliferation treaty (NPT); If it does not, the communist state cannot hope to improve relations with Washington.

The ambassador added that the United States and North Korea were able to strike a nuclear deal only because defense ties between Seoul and Washington are so well established. Concern is being voiced in Seoul about a reduction of U.S. Forces here, but the forces' power has in fact been strengthened over the last 10 months, including the deployment of Patriot missiles, he said.

American troops will remain as long as the Korean people want them here, he declared.

In connection with criticism that Washington made too many concessions to Pyongyang at the Geneva nuclear talks, Laney offered a rebuttal, saying that as North Korea gave up its graphite-moderated reactors—a symbol of "chuche" (self-reliance) into which it had poured billions of dollars—such criticism is wrong. The positive side of the U.S.-North Korea agreement seems to have been overlooked, he asserted.

He also said the U.S. security commitment to South Korea and the Asia-Pacific region is firm, adding that Washington has a keen interest in retaining the military alliance with Seoul as well as the multilateral security system in the region.

KEPCO Official on Advantages of ROK Reactor

SK1711014094 Seoul THE KOREA TIMES in English 17 Nov 94 p 2

[By staff reporter Pak Sung-yong]

[FBIS Transcribed Text] The United States and North Korea, in their Geneva nuclear talks last month, tacitly agreed that "the South Korean type light-water reactor" will be offered for the two 1,000-megawatt nuclear plants to be constructed in North Korea.

Since then, the questions of "what is the Korean type light-water reactor?" and "why should this reactor be adopted?" have been asked here and abroad.

Yu Mun-son, chief of the Nuclear Technology Section at the Korea Electric Power Corp. (KEPCO), stressed the "Korean type light water reactor" needs to be better defined in order to eliminate any possibility of misunderstanding.

"The words only mean the nuclear reactor type used in a nuclear power plant, and does not necessarily mean the whole nuclear power plant," Yu told reporters visiting the construction site of the Ulchin No. 3 and 4 nuclear plants, the first nuclear power plants that adopted the Korean type reactors.

"For better clarification, it should be called the Korean Standard Light Water Reactor Power Plant' or, simply, 'Korean Standard Nuclear Power Plant (KSNPP),'" he went on.

"Then, what is the KSNPP?" reporters asked.

It is a nuclear power plant that Korea has modified and improved in order to suit to the unique Korean situation, Yu explained.

"The design of the plant was based on the so-called 'System 80' which the Asea Brown Boveri-Combustion Engineering (ABB-CE) company developed and exported to Korea," he said.

"The System 80 was modified in accordance with the Utility Requirements Document (URD) that the Electrical Power Research Institute (EPRI) developed with KEPCO's participation," he said.

In other words, Yu emphasized, the KSNPP has been designed to accommodate the Korean style practices of nuclear plant operations and the technical capabilities of Korean industry.

The reporters' curiosity naturally moved to the question of "what profits the North can earn by adopting this type for its nuclear plants which will be constructed under the Geneva accord?"

The answer from Yang Tae-un, technical consultant on construction of nuclear plant for KEPCO was very simple: "For the future of the Korean nation when it is reunified."

"If you are not satisfied with this abstract answer, I will give you a number of technical reasons," Yang said.

The KSNPP has additional safety margins exceeding regulatory requirement, so the safety of it has been highly improved, he said.

"By simplifying the systems and equipment, the Korea Standard Plant precludes the possibility of any accidents arising from unnecessary complexities," the nuclear expert went on.

The KSNPP, Yang said, combines state-of-the-art technologies which have been sufficiently proven with improved construction, operation and maintenance techniques.

"Finally, it meets the newest regulatory requirements," he added.

Accordingly, the North can get numerable benefits by selecting the Korean type nuclear power plant, Yang stressed.

"First of all, by taking advantage of the construction data which we have accumulated during the development of the KSNPP, North Korea can save construction expenses and shorten the construction period," he said.

If the North decides to rely only on foreign technicians, this could result in serious communication problems with them, Yang said. "If they adopt our type, they can also use the same documents on construction and operation as we do because they are all written in Korean and solve the communication problems as well."

Third, he went on, because the South and the North are geographically closest, it can procure the necessary equipment and components on time and at any time it needs them.

"Because South and North Koreans use the same language, the training of North Korean operators can be carried out very easily. They also can use our training facilities like simulators," he said.

Yang stressed that as a technician free from politics, he thinks the Korean Standard Nuclear Power Plant is the best choice for North Korea.

"If West Germany had offered to East Germany two nuclear power plants, would the East have insisted on another reactor type than the West's? I would like to see the North deal with the nuclear reactor issue with more of an open mind," he said.

Scholar Urges PRC Nuclear Umbrella for North

SK1711013194 Seoul THE KOREA TIMES in English 17 Nov 94 p 3

[By staff reporter Sim Chae-yun]

[FBIS Transcribed Text] China should offer to cover North Korea under its nuclear umbrella to ensure abandonment of the North's nuclear ambitions and facilitate inter-Korean dialogue, an American scholar said here yesterday.

A Chinese "nuclear umbrella" could help prod North Korea along the path toward genuine rapprochement with South Korea and the United States, said Ralph Cossa, executive director of the Pacific Forum of the Center for Strategic and International Studies (CSIS).

"China's nuclear capability could become a source of regional stability if Beijing is willing to offer, and Pyongyang is willing to accept, a Chinese security guarantee in return for strict North Korean adherence to IAEA safeguards and a resumption of the South Korea dialogue," he said during an international conference on the security issues in Northeast Asia and the Korean peninsula held at the National Defense University.

He urged South Korean and U.S. governments to encourage Beijing to take more initiative in proposing long-term solutions to the challenges emanating from the Korean peninsula.

"This is particularly important in the immediate post-Kim Il-song era. During this time of political uncertainty in the North, a more direct role by Beijing appears crucial to ensure that the window of opportunity for dialogue remains open," he said.

It's clearly time for Beijing to be more pro-active in its approach to security on the peninsula, while continuing to play its thus far seemingly effective "honest broker" role, he said during the conference organized by the Council on Korea-U.S. Security Studies (COKUSS) and Korean Institute for Defense Analyses (KIDA).

He asserted that it is, therefore, in China's vested interest to continue to apply pressure on Pyongyang to cooperate with South Korea and the United States.

As to the role of Japan in the course of the Korean reunification, he said most Japanese leaders feel a certain amount of apprehension about Korean reunification and will not go out of their way to speed the process along.

He reasoned that simple arithmetic tells that a reunified Korea, absent from any significant prior force reductions, would have 1.85 million men under arms. This would make it the second or third largest army in the world, larger than the U.S. military and more than nine times the size of Japan's Self-Defense Force, he said.

When one adds up the number of tanks, artillery, aircraft, and other items of military hardware on both sides of the DMZ, the figures are staggering, he added.

"But they also understand that there is little they can do either to prevent or promote it, or even to adequately prepare themselves for it, other than to attempt to mend fences with both Seoul and Pyongyang," he said.

He said that the key to ultimate reunification and the best hope for long term stability on the peninsula rest in the hands of the Korean people on both sides of the DMZ.

He emphasized that until true peace is achieved, the ROK-U.S. security alliance remains essential, both to prevent North Korean adventurism and to keep the pressure on Pyongyang to act in good faith.

He argued that it is only under the umbrella of the ROK-U.S. alliance that Seoul will feel confident enough to pursue meaningful talks with Pyongyang.

"Great care still needs to be taken on the part of the U.S. to prevent North Korea from using the direct talks, or the promised road toward future diplomatic recognition against South Korea's interests. Inter-Korean dialogue must remain an unyielding benchmark to be achieved before promised rewards are offered to North Korea," he added.

The conference was held in attendance of prominent scholars and security experts at home and abroad. They include COKUSS Co- chairmen Yi Pyong-hyon and Robert Sennewald, KIDA President Lt. Gen. Park Chae-hwa and senior fellow of the National Defense University Patrick Cronin.

'Source' on South Firms' Visiting North

SK1711062294 Seoul YONHAP in English 0522 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—Seoul plans to allow South Korean firms which receive invitations from North Korea's major official organizations to visit the North even if they lack a written guarantee of their personal safety, a government source said Thursday.

North Korean organizations which Seoul considers as being able to guarantee the personal safety of South Korean visitors and their safe return include organizations under the control of the Administration Council, Workers' Party and Ministry of the People's Armed Forces, according to the source.

Therefore, the government will allow travel to the North by businessmen who receive invitations from Yi Song-tae, chief of the External Economic Cooperation Commission, Kim Chong-u, chief of the commission carrying out external economic cooperation, Yi Song-nok, chief of the Koryo People's Industrial Development Association, and Cho Won-myong, chief of the International Trade Promotion Committee—all falling under the Administration Council.

And if invitations from "the 39th office" or other organizations under the Workers' Party and "Maebong Trading Company" or other bodies under the Ministry of the People's Armed Forces guarantee their personal safety, then businessmen can visit the communist country, the source expected.

The government, however, will not give its permission to those businessmen who receive invitations from other organizations unless they have a note guaranteeing their personal safety issued by such North Korean authorities as the ministry of public security, the source said.

The government plans to hold a council meeting to push for inter- Korean exchanges and cooperation presided over by Yi Hong-ku, Deputy Prime Minister and Minister of the National Unification Board [NUB], next week to work out further measures following the announcement of steps to revitalize inter-Korean economic cooperation.

NUB Spokesman Kim Kyong-ung said, "Deputy Prime Minister Yi said he was going to convene the council as soon as the ministers accompanying President Kim Yong-sam on his visits to Southeast Asia and Australia return."

Meanwhile, firms which sent applications asking the government to allow North Korea visits shortly after it announced the revitalization measures on Nov. 8 are expected to receive permission before Dec. 8 in accordance with the law on South-North exchanges and cooperation, which stipulates that the government should notify companies within a month after they send in applications, the source said.

DPRK Reportedly Seeks Investments From South

SK1711065094 Seoul CHUNGANG ILBO in Korean 17 Nov 94 p 1

[By Mun Il-hyun from Beijing]

[FBIS Translated Text] It has been learned that unlike its past position of officially refusing the ROK Government's proposal for North-South economic cooperation, Pyongyang has strongly expressed the hope that South Korean enterprises can invest in North Korea, even allowing them to visit North Korea if they want. However, North Korea has clearly stated it will allow South Korean enterprises access only to the areas of Najin and Sonbong.

South Korean business sources in Beijing stated on 16 November: "Kim Chong-u, vice chairman of the North Korean External Economic Committee, secretly visited Beijing from 8 to 11 November and held private meetings [myondam] with chairmen of South Korea's conglomerate groups. Despite the North Korean authorities' announcement against South Korea, during these meetings North Korea strongly urged South Korean enterprises to invest in North Korea in any form."

The sources stated: "The chairmen of the groups expressed the hope they would invest in such existing cities or inland communities as Kaesong where the infrastructure is comparatively well developed, including roads, transports, and harbors. However, Vice Chairman Kim stated it is the official position of the North Korean Government that it cannot but limit new investments to the areas of Najin and Sonbong."

The chairmen of the domestic enterprises whom Vice Chairman Kim met were Kang Chin-ku, chairman of Samsung Electronic Company; Pak Song-yong, chairman of the Kumho Group; and Chang Chi-hyok, chairman of the Koryohapsom Group. It has been learned that Kim U-chung, chairman of the Daewoo Group, met with him as well.

They added: "North Korea has expected the Samsung Group to invest in the electronic and shoe industries, the Kumho Group in tire plants, and Koryohamsop in yarn plants.

It has been learned that during his meetings with the chairmen, Vice Chairman Kim promised to allow the relevant officials of the groups to visit North Korea, and carried the list of figures who want to visit. A source added that if the South Korean enterprises provide some facilities, such as communications facility—which North Korea urgently needs—to Pyongyang free of charge, Pyongyang will grant concessions [ikwon] in various areas in return. The source also stated that he strongly expressed the hope that South Korean enterprises will participate in the infrastructure industry.

The business sources stated: "Vice Chairman Kim has reportedly stated that the External Economic Committee will carry out the work to formulate business projects, while the Koryo Association for the Development of the National Industry will deal with trade and investment issues with the countries which North Korea has no diplomatic relations, such as South Korea and Taiwan."

Yi on North's 'Restrictive' Links With South

SK1711071294 Seoul YONHAP in English 0643 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—North Korea would forge economic links with South Korean firms on "a selective and restrictive basis" in the future, doing away with the hitherto excessive issuance of letters of invitation, South Korean Deputy Premier and Unification Minister Yi Hong-ku observed Thursday [17 November].

Yi made the observation while reporting to the National Assembly Foreign Affairs and Unification Committee on the latest developments in South-North relations.

On Pyongyang's rejection of the latest Seoul initiative to resume inter-Korean economic cooperation, Yi gave this interpretation: "Though the North wants it inwardly, they seem to have been motivated by political considerations to freeze inter-Korean relations for the time being, while reinforcing control of the public during the regime's transitional period."

The government won't consider possible North Korean demands for repeal of the National Security Law or repatriation of long-term communist prisoners who refuse to switch their ideological allegiance as a precondition for inter-Korean economic cooperation, he said.

Seoul will put more effort into resolving humanitarian issues such as reunions of dispersed families, while exchanges of people engaged in social and cultural affairs will also be studied, the unification minister said.

Referring to Kim Chong-il's formal succession to power, Yi said, "In his capacity as the supreme military commander, Kim Chong-il directs the government as well as the military. Judging from various developments so far, it is thought that Kim Chong-il acts as a substantive top leader, virtually controlling the party, government and armed forces."

Whether his power base has been solidified, however, warrants further observation, he added.

Having started to again invite foreign leaders and dispatch senior officials to other countries, Yi said, Pyongyang is striving to improve relations with neighboring and non-aligned nations. "But they have so far refrained from making public an official stance on a visit by a Japanese coalition party delegation and resumption of normalization talks with Japan," he said.

In regard to providing the North with light-water reactor technology, the unification minister disclosed that a task force set up at the National Unification Board has been working on a presidential decree governing the projected "light-water reactor planning group" and matters involving personnel and budget. The existing countermeasures committee on providing the North with reactors will be merged with the light-water reactor planning group upon the latter's creation, he said.

No members of the main opposition Democratic Party, now waging an extra-parliamentary campaign demanding the indictment of those involved in the Dec. 12, 1979, military incident, attended the Foreign Affairs and Unification Committee session.

NUB Minister on Agenda for U.S.-North Talks

SK1711072094 Seoul YONHAP in English 0705 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—North Korea and the United States are likely to meet in Beijing on Nov. 30 to discuss signing a contract on international provision of light-water reactors for the North, Deputy Premier and Minister of the National Unification Board (NUB) Yi Hong-ku said Thursday.

The two sides may also have working-level talks in Washington on Dec. 6 to address the proposed exchange of liaison offices, Yi said at a bull session of the National Assembly Committee on Foreign Affairs and National Unification.

Opposition party lawmakers did not attend the session because of the controversy over the prosecution's decision not to indict those involved in the Dec. 12 "coup e'etat-like" incident.

Yi said, "the government plans to make a decision at a cabinet meeting and work out a presidential decree on the provision of light-water reactors for North Korea by the end of this month, thereby laying down a legal basis for actual light-water reactor support for Pyongyang."

Lawmakers from the ruling Democratic Liberal Party (DLP) proposed the formation of a subcommittee to draft prudent measures for the light-water reactor project, noting that such support will impose a financial burden on the people.

U.S. Reportedly Plans To Lift North Sanctions

SK1711031494 Seoul CHOSON ILBO in Korean 17 Nov 94 p 1

[By Kim Chang-kyun from Washington]

[FBIS Translated Text] The U.S. Government has reportedly decided to soon lift sanctions against North Korea in three areas—foreign aid, foreign currency, and communications—in connection with the implementation of the U.S.-North Korea Geneva agreement.

Diplomatic sources in Washington stated: "It is difficult for the U.S. Government to lift sanctions against North Korea in all areas since the sanctions, which the United States has promised to lift within the three months following the agreement being reached, comprise approximately ten kinds of U.S. domestic laws. Accordingly, the United States desires to hasten the lifting of sanctions against North Korea in the areas of foreign aid, foreign currency, and communications because it is comparatively easy to go through the procedures and because of their linkage with the implementation of the agreement, including supplying heavy oil to North Korea and opening liaison offices."

The United States has promised to supply heavy oil to North Korea within three months of the settlement between North Korean and the United States. To achieve this, it has to exclude North Korea from the list of countries that cannot receive aid from the United States.

It is also necessary for the United States to lift sanctions against North Korea in the areas of foreign currency and communication in order to open liaison offices between the U.S. and North Korea. Because it is possible for the U.S. Government to take such measures by presidential or administrative order, it will not require Congressional approval.

On the other hand, because some U.S. domestic laws pertaining to sanctions against North Korea, including laws on trade with hostile countries, need to be revised, these will need Congressional approval. Therefore, the U.S. Government is expected to be challenged by the Republican Party, which has now become the majority party.

NUB: U.S. Businessmen Not To Visit DPRK

SK1711060294 Seoul KBS-1 Radio Network in Korean 0400 GMT 17 Nov 94

[FBIS Translated Text] The National Unification Board [NUB] stated that reports about U.S. businessmen recently making efforts to visit North Korea with the backing of the U.S. Government are not true.

A spokesman for the National Unification Board stated on 17 November: "The U.S. Chamber of Commerce in Seoul has officially informed the National Unification Board of its position that it will not formulate plans for U.S. businessmen to visit North Korea."

The spokesman stated, however, that the U.S. businessmen intend to visit North Korea to survey the validity [tadangsong] of investing in North Korea, saying: "To concretely achieve this, they should fully consult with the ROK Government in advance."

U.S. Scholars at Seminar Assess N-S Unification

SK1611020294 Seoul THE KOREA HERALD in English 16 Nov 94 p 2

[FBIS Transcribed Text] U.S. scholars attending a seminar in Seoul said the future of North Korea and the prospects of Korean unification are hinged upon the quality of relations among and between the countries around the Korean Peninsula.

Thomas L. McNaughter of the Brookings Institution in Washington said if the United States and China manage to forge a reasonably cooperative accommodation in the years ahead, Pyongyang's options are going to be very limited.

But if U.S.-China relations sour, then Beijing's stake in North Korea's survival as a socialist regime and geostrategic buffer will grow. Pyongyang's room for maneuver will expand. So might the range of actions Beijing would take if North Korea were to head toward decay or collapse, he said.

Another Brookings scholar, Mike M. Mochizuki, said China, Russia and Japan may have different views on the future of North Korea and the Korean unification.

China, preferring gradual North Korean reform and survival of the North Korean regime, is likely to engage in steady interactions with the North Korean elite to encourage moderate reform coupled with some economic incentives.

Russia may also hope for gradual reforms in North Korea and survival of the regime but its ability to provide incentives to encourage this reformist path will be limited.

Japan may not differ from China and Russia in its preference of gradual North Korean reform but Tokyo wouldn't stand in the way of an eventual Korean unification provided that its relations with a reunified Korea would be essentially cooperative and friendly.

Japan is likely to pursue normalization of relations with North Korea while being careful to stay in step with South Korea and the United States. It will also use limited economic incentives to encourage North Korean reform.

McNaughter, Mochizuki and other Brookings scholars who are attending the two-day joint conference of the Institute of Foreign Affairs and National Security and Brookings Institution, presented four most plausible scenarios for the long-term future of North Korea—limited reform, move extensive reform, decay and collapse.

Harry Harding said it is likely that, in the immediate post-Kim Il-song era, Pyongyang will attempt a program of limited economic reform. But after a year or so, it will become increasingly apparent that limited reform has produced limited consequences, at the same time steadily weakening the loyalty to the legacy of Kim Il-song. At that point, the regime is to adopt more thoroughgoing economic reforms, accompanied by a partial restructuring of political life.

The scholar confessed that North Korea's future beyond that point is difficult to forecast. But there would appear to be only two alternatives. If liberalization succeeds in revitalizing the economy, and if it is accompanied by adequate political reform, then it is possible that the North Korean regime will be able to survive, and even prosper.

'Fresh Trade Dispute' Over Beef, Pork Products

SK1711021794 Seoul THE KOREA TIMES in English 17 Nov 94 p 8

[By staff reporter Sa Tong-sok]

[FBIS Transcribed Text] A fresh trade dispute is brewing between Korea and the United States over what American officials claim are the former's unfair trade barriers to their exports of beef and pork products.

The U.S. Trade Representative's Office is expected to decide whether to accept or reject a complaint brought by American meat industry groups by the end of this week, an official at the Ministry of Agriculture, Forestry and Fisheries said yesterday. The industry groups involved are the National Pork Producers' Council, the National Cattlemen's Association and the American Meat Institute.

The trade office was required to rule on this petition Monday [14 November] but temporarily withheld its ruling in consideration of its adverse effect on the just-ended Asia-Pacific Economic Cooperation (APEC) summit which pledged to promote regional cooperation.

The official said the decision will be made as soon as U.S. Trade Representative Mickey Kantor, who accompanied President Bill Clinton during the APEC summit, returns home.

If the petition is accepted, Washington must have a series of talks with Seoul to resolve the case within the next 12 months or take retaliatory action against Korea.

The U.S. meat industry reportedly claims that Korea restricts its markets to U.S. producers through various trade barriers, including unrealistic short shelf-life times for beef and pork products.

According to the Ministry, the most contentious of the fresh points is the U.S. meat industry's particular displeasure with the Seoul government's decision to shorten the shelf-life time for sausages from 90 days to 30 a few months ago. The U.S. meat industry allegedly calls upon Seoul to extend the shelf-life time to 180 days.

The U.S. meat industry groups have also been demanding that they be allowed to sell beef freely in Korea without being restricted by the so-called SBS (simultaneous buy and sell) system under which imported beef is sold after being processed by the Korea Meat Industry Association (KMIA).

Ministry officials showed displeasure with the report of the possible acceptance by the U.S. Trade Representative's Office of the petition. "There may be something to be discussed regarding the shelf-life time of meat products but basically we don't accept U.S. complaints in the areas of beef," a ministry official said.

He said the Seoul government may have recourse to the dispute-settlement process of the World Trade Organization (WTO), which is to be launched next year, if the friction between Seoul and Washington gets worse.

U.S. Firms File Complaints Over Trade Barriers

SK1711023494 Seoul THE KOREA TIMES in English 17 Nov 94 p 8

[FBIS Transcribed Text] A growing number of U.S. businesses have been lodging complaints about alleged Korean trade barriers.

Nine companies and organizations have recently filed their complaints with the U.S. Trade Representative [USTR] about foreign trade barriers, of which six have pinpointed Korea as the unfair trader, the Korea Trade Promotion Corp. (KOTRA) reported yesterday.

In a dispatch from its branch in Washington, KOTRA said that the USTR has received the complaints from the nine to reflect their opinion in drawing up its the annual National Trade Estimate (NTE) report on trade barriers next March.

The nine brought the total complainers to 49 this year, of which 30 firms mentioned Korea's trade barriers, a KOTRA official said.

Last year, 19 of 45 U.S. complainers filed complaints against Korea.

The six business organizations and firms complaining about Korea are the Pharmaceutical Research and Manufacturers of America (PRMA), the California-Arizona Citrus League (CACL), the Motion Picture Association (MPA), fruit trader Tree Top, Inc., the Software Publishers Association (SPA) and soybean exporter Central Soya.

PRMA has complained about lack of protection of U.S. intellectual property rights, import policies, registration requirements for new pharmaceuticals, foreign investment barriers and anticompetition practices in Korea's pharmaceuticals sector.

In the intellectual property right area, PRMA claimed that the Korean government has not implemented the U.S.-Korea agreement on pipeline products adequately and has not fully protected trade secrets.

PRMA has complained about unequal treatment of imported goods and standardization and inspection requirements in import policy, delay of sales authorization certificates, rejection of outside inspection results of efficacy and obligatory payments to a fund as the registration requirement for new pharmaceuticals.

Other complaints by PRMA are manufacturer-only requirements for foreign investment and obligatory engagement of wholesalers in the distribution division.

MPA said that Korea has allocated import quotas on movie films and restricted telecasts of foreign TV movies, distribution of video tapes by foreigners and cable motion picture services in disfavor of foreigners.

U.S. To Prohibit Koreans From Using Casinos

SK1711064594 Seoul YONHAP in English 0627 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—South Korean and U.S. military officials agreed Thursday [17 November] to strictly prohibit Korean nationals from using casinos at American bases and to stem the outflow of U.S. goods from base clubs.

Moreover, they decided to ultimately reduce the number of Koreans given special memberships allowing them to use U.S. military facilities.

Ronald Iverson, deputy chief of U.S. Forces in Korea [USFK], and Chang Chae-yong, director-general of the American Affairs Bureau at the Foreign Ministry, held their regular session on the Status of Forces Agreement (SOFA) and emphasized these two points, officials said.

The South Korean side raised the issue of rampant illegal entry by nationals to casinos and other gambling facilities inside U.S. military bases and asked for joint measures to control and prevent the situation, the officials said.

The two sides agreed to devise measures to prevent black marketing of tax-free goods from these bases and concluded they should reduce the number of nationals granted special memberships in base facilities.

They also agreed on the return of some 5,700 pyong of sites used by the USFK to South Korea.

Ambassador to Algeria Arrives in Seoul

SK1711113494 Seoul YONHAP in English 1127 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—Ambassador to Algeria Kwon In-hyuk, who evacuated to Paris, along with his staff members, Wednesday from terrorist violence in his host country, arrived in Seoul Thursday afternoon.

Upon arrival, he told reporters all members of his embassy had left Algiers by the Foreign Ministry's instruction, as Islamic fundamentalists are still threatening to kill all foreigners, adding "they now are safe in Paris and Geneva."

No Koreans are in Algeria today because they have left the country since the murder of Daewoo businessman Kang Tae-hyon in October, he said.

"When the situation there improves I and my staff members will return to Algiers but I don't know when," he remarked.

Australians Deny Rumor of Decrease in Tariffs

SK1611010694 Seoul THE KOREA TIMES in English 16 Nov 94 p 9

[FBIS Transcribed Text] The Korea Trade Promotion Corp. (KOTRA) and the Australian Trade Commission (Austrade) signed an 11-point joint record underlining the stimulation of technology transfer between the two countries upon the end of their two-day sixth annual meeting in Seoul yesterday.

On the eve of the announcement of the joint record, the KOTRA issued an erroneous press release to the effect that Australia had agreed to slash tariff rates on automobiles and textiles.

The Australian delegation protested the wrong press release prior to the signing ceremony yesterday, saying that there was no such agreement on a tariff cut, a KOTRA spokesman said.

Navy Training Squadron Completes Visit to Egypt

SK1711120894 Seoul YONHAP in English 1129 GMT 17 Nov 94

[FBIS Transcribed Text] Cairo, Nov. 17 (YONHAP)—The South Korean Navy's training squadron for Naval Academy cadets left Alexandria port Thursday for India, completing its three-day visit to Egypt.

The squadron, carrying 640 Navy officers and sailors, including 160 Naval Academy cadets, in three warships, arrived in the harbor of Alexandria Tuesday amid enthusiastic welcome of some 200 Korean residents and Consul-General Chong Tae-ik.

During the visit here, Squadron Commander Adm. Han Sang-ki hosted a reception for Egyptian Navy officers and members of the Korean community. He also laid flowers before the Tomb of Unknown Soldiers and Sailors.

Before arriving in Alexandria, the squadron had visited 16 countries.

More Foreign Workers Said Needed in Small Firms

SK1611083594 Seoul YONHAP in English 0741 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—The number of foreign workers needed by the nation's small- and medium-sized manufacturing businesses is estimated to be far exceeding 200,000, the Korea Federation of Small Businesses (KFSB) said Wednesday.

The estimation is based on the results of a survey of small- and medium-sized manufacturing companies affiliated with 170 cooperatives, which said in the poll they require a combined total of 59,508 foreign workers.

By country from which the companies hope to bring in foreign labor, China topped the list with 25,538, followed by the Philippines with 12,565 and Vietnam with 5,044.

Most of the firms (51,045 firms) said their need for foreign workers is most acute during the fourth quarter, KFSB officials said.

Considering that the firms polled account for less than one-third of the total small companies in the country, the number of foreign workers needed is probably far in excess of 200,000, the officials estimated.

Seoul, Indonesia Agree To Boost Science Exchange

SK1511075594 Seoul YONHAP in English 0639 GMT 15 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 15 (YONHAP)—South Korea and Indonesia have agreed to press for exchanges of technicians and joint research in fields of mutual interest between their respective Science and Technology Research Institutes.

Visiting South Korean Science-Technology Minister Kim Si-chung called Monday afternoon at the Indonesian Science and Technology Research Institute, where he reached the agreement with its head.

The accord calls for cooperation between Seoul and Jakarta to be expanded to basic science, engineering and science and technology policies, and for a science and technology-related agenda to be included at a policy symposium due here next year under the theme "changing international technology environment and science and technology cooperation among east Asian countries."

The details will be reviewed and decided by the Korea-Indonesia working committee on science and technology cooperation to be set up soon in accordance with the agreement reached between the two countries' science and technology ministers.

Minister Kim said Seoul will strengthen exchanges and cooperative ties between the Indonesian institute and Korean research centers at Taeduk science town through the Korea Institute of Science and Technology (KIST).

Ministry Reports Increase in Foreign Investment

SK1711093794 Seoul YONHAP in English 0856 GMT 17 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP)—Foreign investment during the first 10 months of the year totaled 1,161 million U.S. dollars for 518 projects, up 44.8 percent and 45.6 percent, respectively, from a year earlier, the Finance Ministry announced Thursday.

Fresh investment amounted to 588 million dollars for 328 projects, up 75.5 percent and 51.2 percent over the same period of last year.

Additional investment also rose 22.7 percent to 573 million dollars for 189 projects which also represented a 37-percent increase.

The manufacturing sector attracted 320 million dollars for 211 projects: The value represented a 28.6 percent fall from a year earlier but the number of projects showed a 39.7-percent rise.

Investment in the non-manufacturing sector amounted to 841 million dollars for 306 projects, up 137.6 percent and 50 percent, respectively, from a year earlier.

Japan accounted for 361 million dollars for 175 projects, European Union countries for 356 million dollars for 90 projects and the United States for 282 million dollars for 145 projects.

Daily on Situation Surrounding UR Ratification

SK1611021694 Seoul THE KOREA HERALD in English 16 Nov 94 p 9

[FBIS Transcribed Text] Uruguay Round [UR]—the global free trade accord that wound up its eight year-long negotiations under the GATT's [General Agreement on Trade and Tariffs] auspices in Morocco this April—has many considerable socio-economic implications for Korea.

Most likely, however, the nation will undergo yet another turmoil, a political one this time, as it moves toward the deadline of Dec. 18 for the domestic ratification of the UR agreements.

The opposition Democratic Party, saying that the government has been less than earnest in working out support measures for domestic farmers, the hardest-hit victims of the multilateral trade agreement, is opposed to even discussing it in the National Assembly.

Other critics of the government, mostly economists sympathizing with farmers and workers, have been demanding that the government renegotiate the 125-country trade package to minimize damages on domestic industry.

The government, while expecting some difficulties in pushing the ratification bill through, is still optimistic about meeting the deadline since, if for no other reason, the comfortable majority the ruling Democratic Liberal Party is enjoying in the parliament.

According to the report by the Korea. Institute for International Economic Policy (KIEP), a total of 32 countries, including Germany, Britain, Mexico, Hong Kong and Singapore, have already completed the domestic ratification procedures.

The other 45 countries, including the United States, Japan and remaining members of the European Union, are expected to follow suit by the end of this year, the report said. The 80 countries which are scheduled to ratify the treaty by the end of December account for more than 90 percent of global trade.

Still, one nagging question raised by critics has been that the major powers within the General Agreement on Tariffs and Trade accord, particularly the United States and EU, may not keep their international promises under the pretext of domestic situations.

As viewed by a senior KIEP researcher, however, most, if not all of these worries will prove to be unfounded.

"Most of the recent news reports about reservation in the Republican Party-led U.S. Congress about the GATT round's ratification appear to reflect their domestic political considerations, to help soothe American taxpayers," said Pak Tae-ho, vice president of the government-funded think tank for the international economy.

Pak, showing cautious optimism about the U.S. ratification by Dec. 2, said there will be few discrepancies between GATT agreement's contents and the related U.S. acts and statements, although there are ways for the U.S. administration to do so.

As to the most controversial issue of Washington's continuous use of its U.S. 301 Trade Act even under the World Trade Organization [WTO] system that will succeed GATT next Jan. 1, the international policy experts acknowledged such a necessity.

"But under the new system, the U.S. exercise of unilateral trade retaliatory method will have to be sharply reduced, both in application of scopes and in targeting countries," said Pak. "Any unjustifiable use of the act will be judged in the trade dispute settlement body of the WTO."

An official at the Economic Planning Board said in this regard that all major signatories of the GATT agreement will not only ratify it by legal deadline but also will respect its contents true to their commitments.

* Press Notes Emerging 2d-Generation Politicians

Presidents' Sons Viewed

952C0009A Seoul HANGYORE 21 in Korean 22 Sep 94 pp 12-14

[By reporter Kwak Pyong-chan]

[FBIS Translated Text] With the increasing possibility that No Chae-hon, the only son of former President No Tae-u, will join the DLP, incumbent and former presidents' sons' involvement in politics is becoming a focus of attention as an issue of "handing down politics from one generation to another."

The question of hereditary succession of politics first became an issue in 1992 when then DP President Kim Tae-chung's eldest son Kim Hong-il was appointed as chairman of the DP Mokpo district chapter. Now it is being speculated or has been confirmed that President Kim Yong-sam's second son Kim Hyon-chol, former President Chon Tu-hwan's eldest son Chon Chae-kuk, and former President No Tae-u's only son No Chae-hon, not to mention Kim Hong-il, are all preparing for the 15th general election (scheduled for 1996). Not only political circles, but also the general public, are showing an unusual interest in this phenomenon.

That the persons involved are the sons of the incumbent or former presidents or the sons of the "two Kims" is not the only reason that the issue of possible "hereditary succession in politics" is drawing singular attention. Among the sons of former heavyweight opposition politicians, Assemblyman Chong Tae-chol, son of former Assemblyman Chong Il-hyong, and Assemblyman Chong Chae-mun, son of former Assemblyman Chong Hae-yong, are currently active as influential politicians of the DP [Democratic Party] and the DLP [Democratic Liberal Party]. In view of this, the singular attention focused on the issue of politicking by the incumbent and former presidents' sons cannot be explained away simply by the fact that they are the sons of the incumbent and former presidents. It is more reasonable to find the cause of this attention in the peculiar historical background against which their fathers were the protagonists in the fierce political strife or political games in the 1980's and the early part of the 1990's. How the relationships of their fathers, who dominated the modern political history of Korea, will be reshaped or carried on by the second generation cannot but be a matter of interest. The political world cannot but be concerned about these second-generation politicians, who exercise strong influence in their respective areas or parties on their fathers' coattails. In addition, the issue of political ethics, namely, whether or not the incumbent president's son can run for a National Assembly seat without reservation, is being raised, making the matter all the more interesting.

The argument about the political involvement of the sons of the incumbent and former presidents was touched off by the remarks of DLP Deputy Secretary General Choe Chae-uk about the possibility of "bringing No Chae-hon into the party." On 5 or 6 September Choe reiterated: "No Chae-hon is favored as a person to be invited to join the party so that he may organize the DLP district chapter in the Taegu East-B electoral district and become its head. However, this question is a matter to be decided at a high level,' and no high-level decision has been made yet." Regarding the selection of acting chairman of the DLP district chapters whose chairmen's posts are vacant, DLP Deputy Secretary General Choe, who is also in charge of organization and management, recommended to Secretary General Mun Chong-su that No Chae-hon be enlisted in the party. Choe said that he had not sounded out the former President No's side, adding that he made that recommendation just as an idea. Choe explained: "No decision has been made yet, but I understand that the impact of having Mr. No Chae-hon join the party has been fully explained and accepted. As soon as the decision is made, we will contact Yonhui-tong. Thus far there has been no contact whatsoever on this matter."

In fact, there is abundant reason why the DLP is trying to enlist No Chae-hon, who intends to run for the 15th general election, in the party. The most plausible reason is the anti-DLP sentiment in Taegu. Needless to say, this sentiment can hardly be alleviated simply by bringing No Chae-hon into the DLP. Rather people in Taegu feel that it was because of then President No Tae-u that the anti-DLP sentiment intensified there. Accordingly, enlisting his son in the DLP would not be of much help. Nevertheless, should the younger No run for the election as an independent, it would be taken as signifying that "even former President No has abandoned the DLP," thereby accelerating the trend toward abandoning the DLP. Therefore, No Chae-hon is regarded as the trump card that can help maintain the status quo at least.

Second, No Chae-hon may not be able to reverse the trend, but his entry into the DLP could have the secondary effect of rallying the so-called TK [Taegu-Kyongbuk] members, including former President Chon, who are very critical of the present government, around the DLP once again. Given the tendency of people in the Taegu-Kyongbuk area to be greatly influenced in their choices by the thoughts and choices of the elder statesmen, No Chae-hon seems to be very worthwhile as an object of investment. As former National Assembly Speaker Pak Chun-kyu demonstrated during the 2 August by-election, No Chae-hon's entry to the DLP would help minimize the open anti-DLP attitude of the elder statesmen in the Taegu-Kyongbuk area and even enlist their support.

As things stand now in the Taegu area, almost all the 11 districts except for "Taegu West-B" District, the DLP is in a precarious position. Each and every DLP district chapter chairman in Taegu says, "the situation is very bad except in my district." This is to say that there is not a single district in which the party feels secure. In the case of Assemblyman Chong Ho-yong, who was once looked up to as the symbol of Taegu, he is said to be trailing former independent Assemblyman Mun Hui-kap. According to opinion polls, Assemblyman Yu Song-hwan, the only incumbent assemblyman belonging to the RDP faction in this area trails not only NDP Assemblyman Yu Su-ho but also Yi Kang-chol, DP local chapter chairman, who "perennially finishes third or fourth." According to observers, Assemblyman Kang Chae-song, who has been regarded as a new star in Taegu, is faced with a tough challenge posed by Assemblyman Choe Un-chi, former district chapter chairman, and depending on the moves of former Assemblyman Pak Chol-on, he is more likely to come out as the loser than the victor in the election.

Well aware of this situation, No Chae-hon is not likely to say yes offhand when an offer is made for him to join the DLP. Of course, he has no choice but to make up his mind according to the wishes of his father. But his current reaction is said to be: "The DLP is making a fool of a quiet outsider." However, he has no intention of rejecting such an offer outright either. Critics say that No Chae-hon is withholding his decision for the time being, quoting him as saying, "The situation in Taegu is difficult now, but you must wait until the election is over to know the results." He plans to leave for the United States on 15 October to take a doctoral course at Standford University. This makes it clear that No Chae-hon is not following the DLP's political schedule, irrespective of whether he will join the DLP or not.

The third reason is to find justification for Kim Hyon-chol's candidacy for the 15th general election. This may be a far more serious consideration than the aforementioned two reasons. Kim Hyon-chol is now at a center of public attention for his political activities. If he should come out to the political forefront without devising buffers to absorb the shocks it might cause, not only he but also his father, President Kim, would find it very difficult to stave off moral accusations. The younger Kim is so deeply involved in politics that his name is often mentioned by the press as an "influential person behind the scenes." He is trying to persuade some independents to join the DLP. However, because his political power "behind the scenes" is likely to disappear simultaneously with the retirement of his father, the source of his political light, it may be the best choice for the younger Kim to come out to "the political forefront" while his father is still in office.

His father is said to have no special objection to his coming out to the political forefront. Of course, the timing is yet to be decided. President Kim expressed his support for his son's political activity in a roundabout way when he said: "My son has been unable to do what he liked to do because unfortunately he has me as his father. To this son, I am not in a position to say yes or no about his wishes to engage in politics." For this reason, the speculation has persisted among political circles since early this year that Kim Hyon-chol will run as a candidate in the Changsungpo-Koje area, his father's birthplace. This likelihood falls under the same pattern with these cases: Kim Hong-il is in control of the DP Mokpo district chapter, the political turf of his father Kim Tae-chung; No Chae-hon is eying Taegu East-B District, his father's birthplace; and Chon Chae-kuk tried to run as a candidate in Hapchon, South Kyongsang Province, where the graves of his ancestors are located.

The speculation that Kim Hyon-chol will run in his father's native place jibes with growing rumors that Assemblyman Kim Pong-cho, a distant relative and the DLP local district chapter chairman, will run for the 1995 Pusan mayoral election or the South Kyongsang provincial gubernatorial election in order to turn over his present local chapter to Kim Hyon-chol. As expected, officials of the local district chapter deny the rumor, saying, "There is no such move at all." But the atmosphere in the party headquarters suggests that this speculation is taken for granted. Kim Hyon-chol's speculated move coincides with the schedule of "Kim Tae-chung family": Kim Hong-il has taken over the local district chapter from Assemblyman Kwon No-kap, his father's trusted follower, who will run for the South Cholla provincial gubernatorial election or the Kwangju mayoral election in the forthcoming local government elections.

However, for Kim Hyon-chol, the fact that his father is the incumbent president is at once his strongest advantage and his moral limitation. He faces the problem of how to avoid giving the public the impression that he seeks a hereditary bequest of political power. One of the most persuasive public pledges made by the Sixth Republic was to do away with nepotism. But this pledge was broken when former Assemblyman Pak Chol-on, President No Tae-u's cousin by his father's sister, reigned as "the crown prince of the Sixth Republic." President No was unable to unburden himself from the consequences of all the troubles Pak Chol-won caused.

The way for Kim Hyon-chol to minimize public fears of hereditary succession of power may be to run for the election simultaneously with the sons of the former presidents and Kim Tae-chung, all of whom still have strong political powers, because by doing so he might be able to divide the charges about "riding on his father's coattails" four ways.

It may be because the election is till two years off that Chon Chae-kuk is currently concentrating on his publishing business in Seoul. During the last (14th) general election, he inaugurated a private organization named the "Society for the Love of Our Native Place." He even selected the head of each village chapter. This organization, when members of the Chon clan are added, was comparable to the organization of DLP supporters in scope. Subsequently, Chon Chae-kuk's private organization suddenly faded away by "the intervention of the higher authorities." According to local sources, the organization can be reactivated anytime when money is made available and orders are out to recruit its members. However, Chon Chae-kuk is doing nothing to revive the organization, except that he visits his ancestral burial ground at holiday seasons. As mentioned above, No Chae-hon is leaving for the United States for study, and Chon Chae-kuk is concentrating on his publishing business. According to analysts, the wait-and-see attitude of the younger No and Chon stems from the confidence they have in their respective power bases.

Nevertheless these sons of the incumbent and former presidents have one thing in common that bothers them a great dea;. "Hereditary succession of political influence" from the incumbent president to his son and "hand-me-down politics by the second generation" are bound to encounter bitter criticisms, far severer than any criticism directed at the "inheritance of wealth." Especially Kim Hyon-chol, who is regarded as the president's other self and therefore is said to be exercising a great political influence, will no doubt be the number one target. This is because even now, in some quarters they complain that the political world is not free from his influence, and it is quite obvious that when he comes out on the political forefront under these circumstances, the DLP and the political world would be drawn into a strange maelstrom at least until President Kim's term of office expires.

Ex-President No's Son No Chae-hon Viewed

952C0009B Seoul HANGYORE 21 in Korean 22 Sep 94 p 14

[By reporter Kwak Pyong-chan]

[FBIS Translated Text] In fact, No Chae-hon's plan to run for the 15th general election has nothing to do with the DLP's desire to enlist him in the party. Beginning in the 13th general election he undertook to take necessary steps with an intention to run as a candidate. He intends to run for the coming election even if there is no solicitation from the DLP to join it. The electoral district he has set his sights on is Taegu East-B, the birthplace of his father, former President No Tae-u, and the turf of former National Assembly Speaker Pak Chun-kyu, who took upon himself the role of No Chae-hon's guardian.

Reportedly, at the end of the 13th National Assembly, there was a tacit agreement between then President No Tae-u and then National Speaker Pak Chun-kyu that the latter "will continue to take charge of the Taegu East-B electoral district until the 14th general election and thereafter turn it over to the younger No in time for the 15th general election." In consequence of this agreement, No Chae-hon began to train himself in politics when he became then speaker Pak Chun-kyu's secretary for international affairs in late 1991, and during the 14th general election, he practically stayed in the East-B electoral district to help Pak Chun-kyu with his election campaign. It was help in name only; he began to take over the electoral district, and his campaign for former Speaker Pak amounted in reality to his own preliminary campaign for the coming 15th general election.

As the government changed hands and tension arose between the Kim Yong-sam administration and former President No Tae-u, the younger No's political activity dwindled. He studied at Tokyo University as a visiting researcher for six months and he was pondering over his future course while traveling abroad from time to time. However, he is said to have recently resumed his work to turn Taegu East-B District into his own turf. Sondol Library, located on Tongchon Square in Ipsok-tong, in the central section of East-B District is regarded as his political headquarters.

The responsible person of this library is No Chin-sang, who was an assistant to former speaker Pak Chun-kyu. The main business of this library is to lend books to local inhabitants and its own club members and carry out library and other cultural activities. The present library, with a floor space of 80 pyong, was rented last February with a deposit of 100 million won. According to No Chin-sang, the library is being operated with financial support from the supporters' organization consisting of 50 or so members. Currently, the library club membership totals about 600. He said that when the club membership increases to about 2,000, the club will elect a new chairman, and when the membership reaches about 10,000, it will hold large-scale cultural events. Besides Club Chairman No Chin-sang, there are four regular officials working at the library.

These regular officials flatly deny any connection between No Chae-hon and Sondol Library saying, "Sondol Library has nothing whatsoever to do with political activities." Regarding the reason why the library is located at the center of East-B District, they said, "We happened to end up here while looking for a location in the outlying areas because there were already many cultural facilities and the offices of many cultural organizations there." But their explanation sounded unconvincing. Regarding the reason for the office's being rented last February but not opening until September, they said, "It was because we were unable to collect enough books." In fact, the book shelves are almost empty even now. However, as early as this June or July, rumors about No Chae-hon's Taegu office began to circulate in the National Assembly in Seoul. No Chae-hon himself did not deny the rumor when he equivocated, "It may or may not be possible."

The day the library was opened singularly coincided with the date—3 September [date as published]—when DLP Deputy Secretary General Choe Chae-uk told the press of the possibility of enlisting No Chae-hon in the DLP. Regardless of whether No Chae-hon joins the DLP or not, that was the day when the deputy secretary general virtually made it official that No would run for the 15th general election. It was also on that same day that No made his plan to run for the election known, without having to make a formal announcement, thanks to Deputy Secretary General Choe. It was on that day that No Chae-hon opened to the public the office he would use as his headquarters. This coincidence, whether it was by chance or by design, suggests that the opening of the office took place under a carefully worked out plan. DLP Deputy Secretary General Choe Chae-uk was an assistant to Pak Chun-kyu, who took upon himself the role of No Chae-hon's guardian when he was the DLP chairman.

Prosecution Decides To End Bridge Investigation

SK1611062194 Seoul YONHAP in English 0505 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—The prosecution decided Wednesday to end its investigation of the collapse on Oct. 21 of the Songsu Bridge after concluding that they found no suspicion of Tong-A Construction Co. Chairman Choe Won-sok and ex-Seoul city Mayor Yi Won-chong being responsible for the bridge mishap.

The decision was made after the prosecution conducted a supplementary investigation of Choe and Yi to collect circumstantial evidence to suggest their involvement in faulty construction and safety negligence of the bridge, but failed to find any, prosecutors said.

The prosecution thus plans to conclude its inquiry into the bridge mishap and dissolve its investigation headquarters 28 days after it was set up. In connection with the shoddy bridge construction, the prosecution will indict six people from the company and Seoul city government Friday.

Right after the bridge collapsed, complaints were lodged by civilian organizations holding Choe and Yi responsible for the accident.

The prosecution arrested a total of 15 people including Yi Sin- yong, the city's road director, during its 28-day investigation.

Poll Conducted on Civil Servants' Performance

SK1611082994 Seoul YONHAP in English 0722 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—South Korean civil servants' performance in such areas as integrity received a score of about 50 out of 100 total points from their fellow citizens.

An opinion poll conducted at the request of the public Information Ministry showed public officials' integrity scoring 5.17 out of 10 points on average, their kindness and service 5.29, degree of reflecting public opinion in duty performance 4.91, sense of responsibility 5.42, and promptness in carrying out duties 5.42, averaging 5.22 points in the five categories.

The poll was aimed at ascertaining the true status of the country's civil service and identifying areas for improvement and reform.

The Korea Gallup Research Institute conducted the survey on Nov. 8, questioning by telephone 1,000 adult men and women across the country.

Asked what comes to mind first when civil servants are mentioned, the largest number of respondents or 21.1 percent cited corruption and irregularities, indicating widespread public mistrust of the civil service.

Purity and honesty were cited by 9.4 percent of the pollees, job security by 6.7 percent, unkindness and authoritarianism by 6.5 percent, inaction by 3.7 percent, service by 3.4 percent and citizens' guides by 3.4 percent, again highlighting a negative reaction.

As for the area they think should be improved first, 37.4 percent pointed to unkindness, 16.5 percent to a lack of responsibility, 16.3 percent to corruption and irregularities, and 9.4 percent to authoritarianism.

Turning to the administrative field which they think should change the most, 40.2 percent cited taxation, 27 percent public order, 22.1 percent education, 19.6 percent politics and 17 percent construction.

A majority of 52.2 percent pointed out taxation in Kyonggi Province, while residents of Seoul and the Kyonggi provincial area cited construction. This suggests that the Inchon city tax scam and the Songsu Bridge collapse in Seoul affected residents of those areas more profoundly.

Asked about civil servants' intention to reform, 58 percent of the respondents replied "weak" while only 15.5 percent said "strong."

As to methods of reforming the civil service, 18.4 percent opted for reinforced inspection and punishment, 15.4 percent reform of consciousness and 6.4 percent improved working conditions including higher pay.

Supporting reinforced inspection of the civil service garnered 55 percent, while 45 percent responded that it might dampen morale in public service.

The pollees were asked to choose one of these two responses as to the causes of the recent tax scandals and the collapse of the Songsu Bridge: The outcome of overall corruption pervading society during the past 30 years or the result of accumulated irregularities within the civil service. A majority of 65.7 percent chose the former, that is, corruption pervading society.

DLP Central Executive Council Meets on Assembly

SK1611072194 Seoul YONHAP in English 0641 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—The ruling party's central executive council met Wednesday and agreed to push for unilateral operation of the National Assembly early next week while confirming that the prosecution decision on the "Dec. 12 coup d'etat-like incident" cannot be negotiated by political parties.

The Democratic Liberal Party (DLP) will hold a general meeting of assembly members Thursday to reaffirm its position and plans to resume the plenary session Nov. 21 or 22 to decide on closing the session and convening standing panels and the budget-settlement committee.

The opposition Democratic Party is boycotting the current parliamentary session, urging the government to reverse the prosecution's decision not to indict former Presidents Chon Tu-hwan and No Tae-u and others involved in the Dec. 12 "military rebellion."

Most members of the DLP executive council want the party to normalize the National Assembly and ask that DLP Chairman Kim Chong- pil clarify the inevitability of one-party operation of the assembly at a press conference.

DLP officials said Chairman Kim may officially announce the decision to push for one-party operation of parliament around Nov. 18, after the party reaches a final decision on the issue.

Kim Tae-chung Criticizes Prosecution's Decision

SK1511135094 Seoul YONHAP in English 1309 GMT 15 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP)—Chairman Kim Tae-chung of the Asia-Pacific Peace Foundation Tuesday called the prosecution's decision not to indict former President Chon Tu- hwan, No Tae-u and others involved in "the coup d'etat-like incident" on Dec. 12, 1979, on military rebellion charges was "wrong."

Kim, who retired from politics after his defeat in the 1992 presidential election, said the problems related to the Dec. 12 incident had been settled because those involved apologized, saying they did wrong.

"But everything has reversed because they now say they didn't anything wrong," said he in an interview with the HANGYORE 21, a magazine published by the HANGYORE SINMUN.

It is irrational that those responsible for the incident resist making an issue again of the incident after its problems were settled, he added.

Kim's remarks are expected to influence the opposition party's anti-government struggle, especially its boycott of the current parliamentary session.

More on Kim Tae-chung's Remarks

SK1611072094 Seoul YONHAP in English 0637 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—As the confrontation over the Dec. 12, 1979, military incident heats up, former opposition leader Kim Tae-chung has finally broken his silence by cautiously criticizing both the current government and core forces of past regimes.

Kim, chairman of the Asia-Pacific Peace Foundation, said in an interview with a local weekly magazine that he could not understand why the prosecution did not indict those involved in the military "rebellion."

He then took aim at the power-wielders in the Fifth and Sixth Republics under Chon Tu-hwan and No Tae-u, charging them with failing to repent for their "wrongdoings" of the past.

"It is unreasonable for them to protest," Kim declared in the interview with HANGYORE 21. "Their claim of innocence is a complete reversal of their previous apology for the incident."

His criticism of the prosecution's handling of the incident is certain to cheer up main opposition Democratic Party [DP] Chairman Yi Ki-taek, who has been leading the "lonely" struggle against the ruling party and demanding that those involved in the Dec. 12 "coup d'etat-like incident" be indicted.

In addition, the largest DP faction known as "Tonggyotong," which is composed of Kim Tae-chung's followers, is expected to join the struggle against the prosecution's decision.

Observers explained that Kim finally spoke up in the judgment that he could no longer keep mum as the controversy over the military incident continued to snowball.

A close aide to Kim revealed that "Chairman Kim had just grasped the political trend over the handling of the Dec. 12 incident. He never had any negative views of the DP's demand for prosecution indictment."

The issue of liquidating the Fifth Republic under Chon has already been handled by the succeeding No government. At that time, Kim was leader of the main opposition party.

In this connection, Kim himself offered the following logic: "At that time, the problem was solved when President Chon apologized to the people, donated his assets to the country and went into seclusion at a temple. But now, Chon and his followers claim they did nothing wrong so under the circumstances, the prosecution decision on staying the indictment must be unfair."

The observers feel his recent remarks, however, suggest that he does not want to see the DP become embroiled in internal feuding over the issue.

"Kim could not look coolly on while Yi Ki-taek was in distress as the godfather of the opposition camp," one observer remarked.

But the dominant opinion on Kim's remarks is that he intends to scotch rumors that he may have been linked to key figures in past regimes.

Indeed, Kim has met secretly with former lawmaker Pak Chol-on, once regarded as the crown prince of No's government, prompting many to assume that he was cozying up to conservative forces from past governments to make a run in the next presidential election.

Another prevailing opinion holds that Kim's statements could make matters worse.

A DP official said President Kim Yong-sam, the longtime political rival of Chairman Kim, would not accept any offensive on the Dec. 12 issue even if it were supported by Kim Tae-chung.

As things now stand, the ruling camp insists that Kim's comments are proof that he is meddling in politics and that he could further complicate the political process.

Urban Working Family's Monthly Income Increases

SK1611113294 Seoul YONHAP in English 1032 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—South Korea's urban working families now spend an average of more than 100,000 won (125 U.S. dollars) for eating out and almost the same amount for cars every month, thanks to their increased income.

According to the figures on urban working households' budgets in the third quarter released by the national statistical office Wednesday, the average monthly income of urban working households for the July-September period rose 24.6 percent from 1,533,600 won a year earlier to 1,757,000 won, compared with the 9.1-percent increase recorded in the corresponding period last year.

The average number of income earners per household also increased from 1.46 persons a year earlier to 1.49, owing to increased women employment.

Unearned income, such as rents, interest and dividends, soared 28.1 percent, with earned income accounting for 86 percent of the total household income against 86.1 percent a year earlier and unearned income for the remaining 14 percent.

The average monthly spending went up 13.2 percent to 1,118,600 won from 987,900 won a year earlier.

Of this spending, expenses for eating out rose 21 percent to 103,200 won, representing 29.6 percent of the total food expenses which also increased 13.1 percent to 348,400 won. The Engel's coefficient, food expenses expressed as a percentage of the total household spending, fell 0.1 point to 31.1 percent.

The average monthly expenses for children's education increased 17.6 percent to 107,400 won.

The average monthly interest and tax payment also went up 28.4 percent to 159,300 won, with the result that the disposable income, namely the total income minus this payment, rose 13.4 percent to 1,597,700 won and that the household budget surplus, the disposable income minus spending, rose 13.6 percent to 479,100 won.

POSCO Forms New Engineering, Construction Firm

SK1711025994 Seoul THE KOREA HERALD in English 17 Nov 94 p 8

[FBIS Transcribed Text] Pohang Iron and Steel Co., Korea's largest and the world's second-largest steel maker, launched an engineering and building unit in a ceremony yesterday.

The new company—POSCO Engineering and Construction Co., or POSEC—came into being by the merger of the steel giant's two separate units each of which is responsible for its building and engineering sectors, a company spokesman said.

The two existing companies, Geoyang Development Co. and POSCO Engineering Co., will take prior merger procedures Dec. 1 before doing business in earnest, he said.

POSEC is aiming to become a world-class engineering and construction company like Bechtel Inc. of the United States, the spokesman said. It will break away from the previous parent-son relationship with the steel maker and will have two separate presidents in charge of construction and engineering, respectively.

The company has interests in a wide range of business areas, such as plant, environment, energy, and social infrastructure building. It also will focus on technology development, physical distribution and overseas projects.

It has set its annual sales goal at 1.6 trillion won ($2 billion) up to 1996 and has planned to further increase it to 6 trillion won by 2005, including 4.4 trillion won from engineering and 1.6 trillion won from energy.

For this, the company will invest 6.8 trillion won in the next 10 years and beef up employees from the present 1,900 to 6,000, the official said.

Burma

Further on Visit by UN Rights Representative

Meets Chief Justice, Attorney General

BK1511164794 Rangoon Radio Myanmar in Burmese 1330 GMT 15 Nov 94

[FBIS Editorial Report] Professor Yozo Yokota, the visiting United Nations Human Rights Commission representative, and party went to the National Convention Convening Work Committee [NCCWC] office at Kyaikkasan Grounds in Yangon [Rangoon] at 0900 this morning and called on U Aye Maung, NCCWC secretary; U Thaung Nyunt, joint secretary-1; and U Aung Khin Tint, committee member. The committee members replied to queries raised by the delegation about the National Convention where they were provided with relevant papers.

Prof. Yokota and party next visited the NCCWC reference library and studied the discussions by the delegate groups representing national races, technocrats and intelligentsia, and other special invitees and made enquiries to the panel of chairmen. They left at 1020.

Furthermore, Chief Justice U Aung Toe received Professor Yokota and members at his office at 1030. Similarly, Prof. Yokota and party called on Attorney General U Tha Tun at the latter's office in the presence of Police Major General U San Thein and Ambassador U Aye. At 1500, Prof. Yokota and party visited the Myanmar [Burma] Red Cross Society and met and held talks with President Dr. Tin U, Executive Secretary Dr. Ko Ko Gyi, and executive members.

Envoy, Delegation Depart 16 Nov

BK1711021594 Rangoon Radio Myanmar in Burmese 1330 GMT 16 Nov 94

[FBIS Editorial Report] Professor Yozo Yokota, the visiting United Nations Human Rights Commission representative, and delegation members Mr. Quin Gazio and Mrs. Mazami Hada visited Yangon [Rangoon] University at 0900 this morning. They met with Rector Dr. Tun Aung and Law Professor Dr. Tin Aung Aye and inquired about educational matters. Prof. Yokota and party next toured Yangon University by car and then proceeded to Dagon University. The visitors met Rector U Kaung Nyunt and toured the university campus by car.

In the afternoon, Prof. Yozo Yokota and party went to the Foreign Ministry Annex building and met U Aye Lwin, director general of International Organizations and Economic Department, and held discussions relating to matters concerning the visit.

The UN representative and delegation departed via Thai Airways from Yangon International Airport at 1700.

Khin Nyunt Receives Thai Senate President

BK1511162394 Rangoon Radio Myanmar in Burmese 1330 GMT 15 Nov 94

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received visiting Thai Senate President Mr. Michai Ruchuphan and delegation at the Defense Ministry's Dagon House at 0900 this morning. Also present were U Ohn Gyaw, minister of foreign affairs; and Thura U Aung Htet, director general of the Protocol Department.

Brunei, Malaysia & Singapore

Malaysia

Radio Argues Against Trade Liberalization

BK1511130394 Kuala Lumpur Voice of Malaysia in English 0800 GMT 15 Nov 94

[Station commentary]

[FBIS Transcribed Text] It is unfair to accuse Malaysia of putting obstacles to trade liberalization efforts by the Asia-Pacific Economic Conference [as heard], APEC [Asia Pacific Economic Cooperation], forum. It is merely against a set deadline for the groupings to form a free trade area. For the 18-nation grouping to attach a timetable to dismantle trade barriers is totally unrealistic. It is also obvious that there will be reservations about the proposal and Malaysia is not alone in the stand. China and Hong Kong are against the idea. Therefore, there was no consensus on the matter when the APEC ministerial level meeting ended in Jakarta two days ago. The reasons not in favor for a free area by the year 2020 are simple. The plan is simply too ambitious given the diverse economies of APEC member nations. Some of the countries, like the United States and Japan, are the most developed in the world. At the other end of the spectrum are countries still struggling in their economies such as Chile, Papua New Guinea, and Mexico.

With the vast disparities in the economic development of members, it is unlikely that all will be able to meet the deadline. Some of the poorer nations might never be able to catch up with the developed economies. Even in the case of the North American Free Trade Area, NAFTA, between two developed economies, namely the United States and Canada, it then took a considerable time before a pact was reached.

Despite these obvious differences and the problems they will pose, the U.S. and Australia are pushing for the deadline. Indonesia, too, perhaps being the host and wanting a successful meeting, has joined the bandwagon. While regional aims are well and good, the countries have to consider domestic issues and priorities before committing to something which will be easy for some and very much harder for others to achieve. It is unreasonable, therefore, for 18 countries to reach a consensus on such an important matter in just half a day.

But Malaysia is still committed to APEC and the vital role it can play in global trade liberalization. This is why it says it is more important for countries to first live up to the commitments under the General Agreement on Tariffs and Trade, GATT. Many countries have not been able to do so and the irony is that numerous developed nations have yet to ratify the GATT accord with a deadline just left them two months away. [sentence as heard] Why push aside the matter at hand and focus on something that actually amounts to building castles in the air? In contrast, many countries have cut or reduced trade barriers and tariffs on their own accord without having an APEC deadline to tell them to do so.

Malaysia, committed to the ASEAN Free Trade Area, AFTA, has cut tariffs for 3,600 items—something which will be difficult to manage even by some of the developed countries. But what APEC should then focus on is implementing the work program it had opted several years ago. These include 10 working groups which cover areas such as trade and investment, trade promotion, industrial science and technology, and human resources development. These programs will yield greater benefits; setting deadlines will not. They will only ferment their stand in APEC.

Editorial Comments on U.S. Elections

BK1611122394 Kuala Lumpur BERITA HARIAN in Malay 11 Nov 94 p 8

[Editorial: "A Sign of the Beginning of the Downfall of the Democrats"]

[FBIS Translated Text] The Republican Party's success in gaining control of the U.S. Congress serves to warn the Clinton administration of a possible defeat of his party in the final mid-term election two years from now. The Democrat Party under his leadership lost four seats in the Senate. This is the party's first defeat in 40 years as the Republicans gained control of both the Senate and the House of Representatives. In most of the previous elections, the Democrats won in one or both houses of the legislature. The last time the Republicans controlled the Senate and the House of Representatives was in 1986 and 1954 respectively. Early indications in 1994 had shown that seats in Capitol Hill would be controlled by the Republicans although this was not final. For the Democrat Party, particularly Clinton who will run for the second term, the truth of the situation will only be determined in 1996.

In the election for the 100-seat Senate, the Republicans gained 52 seats, and the Democrats 48. The Republicans were ahead by 78 seats in the election for the 435-seat House of Representatives. In the gubernatorial election, the Republicans won 29 seats, and the Democrats only 20.

The issue of "partisanship" [preceding word in English] has been frequently raised in many commentaries on the U.S. political system, particularly since Ronald Reagan and George Bush contested in elections in the 1980's. Has the frequent "party identification" [preceding two words in English] of U.S. voters changed? A survey on national elections since 1980, show 74 percent of the voters have been loyal Democrats supporters, while only 58 percent have voted for the Republicans. From 1947 to 1988, the Democrats were ahead with its loyal voters' percentage at between 36 and 51 percent, against between 21 and 29 percent for the Republicans. Republican candidates have even lost to independents in several elections. In terms of party and ideology, a comparison could be drawn when Clinton represented the Democrat Party against George Bush, the Republican representative in the 1992 presidential election. Clinton was overwhelmingly elected from voters who had been positively identified as democrats liberal, moderate, and conservative. The percentage of votes was between 60 and 85 percent. The percentage of support from liberal, moderate, and conservative Republicans for the Republicans was between 62 and 82 percent. Other factors bearing on the voters were age, education, and race as well as other topical issues.

As there was little change in voting patterns in the election yesterday, we think the American people have no loyalty toward any party. Obviously, they have supported a two-party system in their national political scene over the past 100 years. A third party or independent candidates have never been given any place under the nation's political system.

We are very interested in the fact that Senate Republican leader Bob Dole described the victory as a manifestation of the people's opposition to Clinton's policy on a big government, high taxes, and cumbersome regulations. Perhaps, this had a direct impact on the shift in voters' support for the Republicans. We will not be surprised to see the Republicans back in power if the sentiments can be maintained in the next two years. We realize that Clinton's task will not be easy if his party's popularity continues to dip.

Clinton's main task is to restore the people's confidence in his presidential campaign promises which remain unfulfilled. The economic recovery that Clinton promised has not been achieved. On the other hand, the U.S. involvement in overseas military operations is increasingly depleting the treasury. Perhaps, the outcome of the election will make Clinton realize that it would be useless for him to be a champion overseas if he loses at home. Perhaps, too, the American people want their president to give greater attention to domestic affairs rather than exhausting their energy and spending money to become a champion in Haiti, Africa, and the Middle East. In the absence of the Soviet Union, there is no longer any need for the U.S. president to prove his superiority.

Mahathir Urges UN To End Sanctions on Iraq

BK1611155294 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 16 Nov 94

[FBIS Transcribed Excerpt] Malaysia wants the UN Security Council to stop torturing the Iraqis and revert its decision to renew sanctions against Baghdad. Prime Minister Datuk Sri Dr. Mahathir Mohamed said since Iraq had recognized Kuwait, the Security Council should lift the sanctions against Iraq imposed after it invaded Kuwait in August 1990. He described the move by the 15-member council to renew the sanctions as unfair.

He was speaking at a news conference at the Kuala Lumpur International Airport on his return from Jakarta after attending the Asia-Pacific Economic Cooperation meeting in Bogor. The prime minister said the Iraqis had suffered enough and questioned the motive behind the Security Council's move to renew the sanctions. [passage omitted]

Britain Approves Loan Agreement on Power Plant

BK1711021394 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 16 Nov 94

[FBIS Translated Text] The cabinet today received a written assurance from the British Government on its commitment to a loan agreement to build the Pergau power plant. Samy Vellu, minister of energy, telecommunications, and posts said he received the note from the British high commissioner in Kuala Lumpur four days ago. The National Electricity Authority has been notified about the case and steps to build the plant are proceeding smoothly. He was speaking to reporters at the parliament building today. Douglas Hurd, British secretary of state for foreign affairs, was quoted as saying on 10 November that his government would honor the loan agreement, which was ruled illegal last Thursday by a British court.

Singapore

Editorial Assesses Prospects for Free Trade

BK1711101994 Singapore THE STRAITS TIMES in English 17 Nov 94 p 28

[Editorial: "APEC's Promise To Live Up To"]

[FBIS Transcribed Text] A reflex reaction to the Bogor accord on Asia-Pacific trade agreed upon on Tuesday is that this is an accomplishment of considerable import for the coming millennium. From the start of the proceedings, it was plain that APEC (Asia-Pacific Economic Cooperation) forum would be discredited as an elaborate piece of dramatics unless the 18 members accepted a time frame to eliminate barriers to trade. That was always meant to be the real stuff. It is now, happily, in the bag. President Suharto deserves some of the credit for allaying the apprehensions of certain countries, such as China and Thailand, to bring about near unanimity. Despite Malaysia holding out, which amounts to an abstention although the agreement was billed as having been achieved by consensus, the Bogor Declaration holds promise of being able to produce the conditions to generate shared prosperity all along the Pacific shoreline. The obstacles had been daunting: China at odds with the United States over human rights and missile sales; wide divergence in growth among the 18 members with Papua New Guinea at the other end of the scale; different political agendas and competing interests; Malaysia's worry about ASEAN, and Asia, being swamped by America not altogether a lonely crusade. To their credit, the leaders kept their faith with the broad principle of free and open commerce eventually breaking down all the barriers that suspicious minds can erect.

How to give substance to promise is now up to every one of the signatories. Optimism about expanded trade and rising GDPs is all right, but to be swept up by the spirit of extravagance may not be justified at this early stage. President Suharto spoke of the declaration having both a legal and operational framework, one having GATT as the parent document and the other being the "partnership" within APEC whereby the strong will help the struggling ones. But the Bogor document is a statement of intent, nothing more. It is not binding, which Malaysian Prime Minister Mahathir Mohamed made much play of when expressing his reservations about the target dates.

Are the target dates generous? The time frame for full market opening—2010 for the US, Japan and the other developed economies and 2020 for all the rest—affords such a long lead time of a quarter century that adjustments by the signatories are entirely possible. If Asian growth rates, excluding China, can be kept at the average 7 to 8 percent level, it is not inconceivable that almost complete elimination of customs duties, quotas and non-tariff barriers can come before the 2020 deadline. There are comparisons to mull over. The ASEAN Six, by no means in the luxury class of developed economies, have brought forward by five years the lowering of tariffs under AFTA, the ASEAN Free Trade Area, to 0-5 percent by 2003. On the global scale, the reckoning of the Uruguay Round of GATT is that tariffs be brought down to negligible levels by 2005. As all APEC members except China and Taiwan are associated with either of the two, the pressures those deadlines will place on the APEC time frame could bring an acceleration. It is a tantalising prospect.

All that remains supposition, for now. It falls on Japan, as the APEC chairman for next year, to ensure that the momentum built up at Bogor does not flag. Trade ministers have been instructed to submit proposals for next year's session in Osaka on removing customs, standards, investment and administrative barriers. This will be the real test for all 18 parties, when the talking gives way to giving. At the least, APEC has Japan's assurance that it will create an "action agenda" (Prime Minister Tomiichi Murayama's words) for the Osaka meetings. He gave advance notice that Osaka will be all about liberalisation measures "in terms of actual sectors, the time frame for these sectors and compensatory measures to achieve these goals". So far, so good. Over time, it will be clearer whether such positive rejoinders are not just a case of Bogor euphoria.

Cambodia

Hun Sen, UK Official Discuss Investment Prospects

BK1611130694 Phnom Penh AKP in English 1000 GMT 16 Nov 94

[FBIS Transcribed Text] Phnom Penh AKP November 16—Samdech Hun Sen, second prime minister, met here on November 14 with Mr. David Dain, assistant to British under secretary of state for foreign affairs [title as received], on his visit to Cambodia.

During the talks, Samdech Hun Sen expressed his condolences to his British guest and the bereaved family over the death of Briton Mark Slater who was killed by the Khmer Rouge guerrillas in Phnum Voar late September.

The second prime minister informed the British guest of the situation in Cambodia which, he said, had created favorable conditions for all political parties, except the Khmer Rouge, to join together in the Royal Government, saying that the Khmer Rouge refusal to join the government did not prove any obstacle to the process of national construction.

"The government does not like war, but it does its best to persuade them (Khmer Rouge) to return to the nation's fold," he said, adding that they would disappear through the national development.

The Cambodian second prime minister told the assistant to the British under secretary of state of the military and civil administration reform and the vocational training programme for demobilized soldiers and civil servants which he said would enable them to find jobs.

Samdech Hun Sen was convinced that through David Dain's visit to Cambodia, the cooperation between the two countries would be developed and strengthened.

For his part, Mr. David Dain was impressed with all efforts made by the Royal Government in the national rehabilitation and development.

He said Britain had followed with keen interest the security situation in Cambodia and got ready to help Cambodia as much as possible. When the security situation is improved, more foreign investors will came to Cambodia, he said.

Government Establishes New Border Commission

BK1611133994 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 16 Nov 94

["Press Communique" issued by the Office of the Royal Government Spokesman in Phnom Penh on 16 November]

[FBIS Translated Text] An interministerial meeting was held under the chairmanship of Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers of the Royal Government of Cambodia, at the Council of Ministers office at 0830 this morning. The meeting examined and discussed the issue of Kompong Cham and Takeo Province boundaries with Vietnam and reports on problems occurring in Koh Kong Province and Sihanoukville presented by the commission for the search for and inspection of logs and sawn timber.

After hearing reports on the situation along the Cambodian-Vietnamese border presented by the Kompong Cham provincial governor and a representative of the Takeo provincial chief, the meeting, among other things, decided:

1. To continue to examine and discuss the issue of Kompong Cham and Takeo Province borders with Vietnam by setting up a national authority in charge of border affairs. The authority consists of First Prime Minister Prince Krompreah Norodom Ranariddh and Second Prime Minister Samdech Hun Sen as co-chairmen; co-ministers of interior and minister of foreign affairs and international cooperation as deputy chairmen; and co-ministers in charge of the Council of Ministers office, the minister of economy and finance, co-ministers of national defense, and members of concerned institutions as members.

2. To continue to examine and discuss the report by the commission for the search for and inspection of logs and sawn timber. To settle the problems in Koh Kong Province and Sihanoukville, the meeting ordered the formation of new procedures to control the export of logs and sawn timber.

The meeting ended at 1330 in a spirit of unity and a high sense of responsibility.

[Dated] Phnom Penh, 16 November

SRV, 'Alliance' Keeping Sin Song in Thailand

BK1611153094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 16 Nov 94

[FBIS Translated Text] It has been reported that Sin Song, former puppet interior minister and devilish head of the communist Vietnamese puppets' National Security Ministry, requested asylum in Thailand on 11 November.

The general public and the Cambodian people are well aware of the overt and covert activities conducted by Sin Song as a puppet of communist Vietnam for 15 years and, later, as a puppet of the villainous alliance for two years. Because his job is to attack the people and Democratic Kampuchea from behind, upon hearing that Sin Song requested asylum in Thailand, the general public realizes immediately that this is another trick and [word indistinct] employed by communist Vietnam and the alliance to keep him in Thailand so he can perpetuate his criminal attacks against the Cambodian nation and people from behind.

This is an issue directly relevant to war and peace in Cambodia.

Preah Vihear Residents Claim Right to Self-Defense

BK1611141794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 16 Nov 94

["Open letter of the people of Preah Vihear Province" dated 13 November—place not given]

[FBIS Translated Text] I. We, the people of Preah Vihear Province, solemnly declare that Cambodians have the right of self-defense to kill anyone who comes to continue igniting communist Vietnam's war against Cambodians.

II. Therefore, if anyone is killed or wounded in battle, he must hold himself responsible and not blame others.

III. Cambodians in Preah Vihear Province can take it no more. For the past 15 years the communist Vietnamese have been killing Cambodians at will. When UNTAC [UN Transitional Authority in Cambodia] came to Cambodia it also colluded with the communist Vietnamese to kill Cambodians at will. The two-headed puppets have also colluded with the communist Vietnamese and villainous Western alliance to kill Cambodians at will.

IV. It is in this state of mind that we Cambodians appeal to you to desist from sullying yourselves in communist Vietnam's war of aggression that has killed Cambodians. Cambodians will take no responsibility if you get yourself killed, injured, or missing. If there are dead, injured, or missing among you, please do not whine, weep, or cry. You should clearly understand the situation because you have been repeatedly warned.

13 November
The people of Preah Vihear Province

Indonesia

U.S. President's Official State Visit Reported

Suharto Rejects E. Timor Autonomy

BK1611140194 Jakarta ANTARA in Indonesian 0954 GMT 16 Nov 94

[FBIS Translated Excerpt] Jakarta, 16 Nov (ANTARA)—President Suharto has stressed that the Indonesian Government will not give East Timor (Timtim) autonomy as that will mean its status will be different from the other 26 provinces. [passage omitted] Clinton, accompanied by his wife, Mrs. Hillary Clinton, is on a one-day official state visit to Indonesia on Wednesday. They paid a courtesy visit on President Suharto, Madam Tien Suharto, and Vice President Try Sutrisno.

Minister/State Secretary Murdiono said the two heads of state held their talks and presented their issues to one another in an atmosphere of friendship and mutual understanding.

Murdiono said the two leaders touched on the human rights and the developments in East Timor, including the 12 November 1992 Dili incident, and the current presence of 29 East Timorese youths in the U.S. embassy.

In his explanation to the U.S. leader, the president also said that Portugal's former colony was included as a territory of Indonesia at the request of the East Timorese themselves.

Murdiono, who quoted President Suharto, said: "Indonesia accepted East Timor's integration as a mark of respect for the East Timorese community's human rights and their desire to be included as a territory of Indonesia."

On the Dili incident, the head of state explained to Clinton that it took place as a result of the provocations of those who were dissatisfied with East Timor's integration.

President Suharto said to Clinton: "We were trapped by such provocations."

At first, the meeting between the two leaders was scheduled for only half an hour, to be followed by an hour's meeting with ministers. However, it lasted one and a half hours, in contrast to a brief plenary meeting.

President Suharto was accompanied by Murdiono and Foreign Minister Ali Alatas at the first meeting, while Clinton was accompanied by Secretary of State Warren Christopher. At the second meeting, Trade Minister Sujono accompanied President Suharto and Clinton was accompanied by another official, the Commerce Secretary Ron Brown.

Minister/State Secretary Murdiono said during the talks, President Clinton asked President Suharto about the large number of ABRI [Indonesian Armed Forces] personnel in East Timor.

Murdiono, who spoke on Clinton's query about the "large number" of ABRI personnel, said: "President Suharto explained that their presence is to assist the East Timorese in development."

Touching on the issue of the 29 East Timorese youths in U.S. embassy premises since last week, President Suharto said they are still young and do not have the ability to differentiate between the conditions now and when the territory was under Portugese rule.

President Suharto explained to his guest about the advocation of human rights, saying that the 1945 Constitution guarantees the right to freedom to organize, congregate, and express opinions.

Murdiono, who referred to the president's statement, said: "The 1945 Constitution decrees that the guarantee comes under the jurisdiction of law. Therefore, if there are actions considered by the external party as not being in line with human rights, then the issue exists because that party has violated the law."

Murdiono added that during the meeting President Suharto also explained that Indonesia placed great value on life, which among other things, concerned a person's well-being and him as a member of society.

With regard to bilateral relations, President Suharto reminded his guest that there are numerous Indonesian products such as garments and plywood similar to those from other countries but are being discriminated against in the U.S. market.

Murdiono said:" Numerous Indonesian industries producing export commodities use local manpower."

Washington is currently continuing discussions on whether to grant GSP status to Indonesia after several requests by groups in the U.S to revoke the status, giving the excuse that the Indonesian Government has not given the workers their full and valid rights.

Taking the opportunity, President told his guest that Jakarta knows that about 76 members of the Senate had conveyed their concern on the East Timor situation.

Murdiono, quoting President Suharto said: "Indonesia is ready to welcome the members of the U.S. Senate and Congress to visit Indonesia, including East Timor."

President Clinton and his delegation will leave Jakarta on Wednesday night for Hawaii.

Suharto Hails Clinton Leadership

BK1711091794 Jakarta ANTARA in Indonesian 1627 GMT 16 Nov 94

[FBIS Translated Excerpt] Jakarta, 16 Nov (ANTARA)—President Suharto said Indonesia and the United States did not agree on all matters.

"We did not have similar opinions on all matters. It is a fact that as mature and sovereign states, Indonesia and the United States do not always have similar views in all matters," President Suharto said in his speech at the state banquet in honor of President Bill Clinton at the State Palace in Jakarta on Wednesday night. Bill Clinton was on a one-day state visit to Indonesia.

Knowing that it would be impossible to agree on all matters, Suharto said the most important is for the two nations and governments to talk frankly and openly. "If we do this, the matters that bind us will become stronger than those that separate us," he said. Present at the function were Mrs. Tien Suharto, Vice President Try Sutrisno and Sudomo, chairman of the National Advisory Board.

President Suharto told Clinton and his wife, Hillary, that the two states have several similarities such as their past struggle to overthrow colonialism.

President Suharto said, "America is made up of millions of immigrants, and likewise Indonesia comprises 300 ethnic groups. We have national pride just like the U.S. in providing shelter to the followers of several major world religions."

Citing an example, the Indonesian head of state talked about the Istiqlal Mosque, which Bill Clinton visited on Monday. The mosque is located near a Catholic cathedral.

Referring to the AELM [APEC (Asia-Pacific Economic Cooperation) Economic Leaders Meeting] in Bogor on 15 November, President Suharto said that the objective of the meeting was to create a free trade area in the Asia-Pacific region.

"Honorable President Clinton, you have become a leader in the global move to liberalize trade. Perhaps, your action might not be popular when seen from a political angle. However, what you have done is right," President Suharto said. [passage omitted]

Daily Views Jakarta's Contribution to APEC

BK1711125394 Jakarta KOMPAS in Indonesian 16 Nov 94 p 4

[Editorial: "Seattle Common Vision To Become Goal and Action"]

[FBIS Translated Text] The common vision adopted in the AELM [APEC (Asia-Pacific Economic Cooperation) Economic Leaders Meeting] on Blake Island, Seattle, USA was brought to the AELM in Bogor to be broken down and accepted as the common goal and action to enhance economic cooperation.

The key words of the cooperation are the free trade timetables, namely 2010 for developed countries, and 2020 for developing countries. The timetables also clarify and direct the measures taken by APEC member countries, and translate vision into concrete plans. With this, other measures and actions will follow.

The basis and reference of APEC is GATT which, according to last year's Morocco accord, will become World Trade Organization (WTO). The operational reference is mutual help between the strong and the weak in the spirit of partnership, equality, and fairness.

The spirit of partnership and mutual help is very important, as the APEC members have different levels of economic progress and development and different sociopolitical systems and cultures.

Beside the spirit of partnership, other facilities are required to support the creation of free trade. These could be in the form of motivation, without any conditions attached, for the growth of investment, human resources development, infrastructure development, science and technology, the environment, development of small and medium scale businesses, including the private sector.

The break down of the strategic Bogor agreement will be done by the cabinet ministers of every country.

To weigh and push for concrete action, APEC economic leaders are expected to form what is known as the leader's initiative. [preceding two words in English]

The AELM in Bogor has succeeded in simplifying the vision into direction and steps. It will be imperative for every nation to work hard and overcome obstacles. APEC is no longer just a vision, but an action; it has become a target.

The first barrier that every member country must overcome is the difference in interests. On the one hand are the efforts to create free trade, and on the other, the protectionist attitude of certain countries, openly or discreetly, toward their own products. Developed countries such as Japan and the United States still protect their products.

The second barrier is how to eliminate differences that are due to certain realities, that is the different stages of development and economic growth between industrialized countries (old and new) and developing countries.

So, despite the AELM consensus on the timetables of the years 2010 and 2020, there will differences in phase and speed in creating a free trade area.

The disparity will also depend on how the infrastructure facilities, which had been agreed on, could be made available, or how investment could be increased, especially from industrialized countries to developing) countries.

Obviously, infrastructure is essential. Road networks, transportation, telecommunication facilities, and electricity can enhance productivity and initiative. And infrastructure development in developing countries is determined by the availability of funds.

The responsibility of economic leaders is more in the development of human resources, the application of science and technology, the development of small- and medium-scale enterprises and their involvement in the private sector.

The role of private business (big, medium and small), is very important in boosting cooperation among APEC members. The private sector in a country is not a piecemeal element. It is a reality that APEC has two legs, one resting on the public sector, and the other on the private sector. In its development, APEC has from the beginning included private sector participation. Private sector development, especially in developing countries, will determine the speed in the creation of a free trade system. The free trade system prescribed in AELM Common Resolve can be achieved before 2020 if the private sector in each country can grow quickly and be strengthened.

In developing countries, particularly, the homework lies with the government. It is especially true for Indonesia.

The direct impact of the Bogor consensus is the emergence of strong and effective measures for our government to continue deregulation programs, to eliminate any form of a rent-seeking economy [preceding three words in English] that would result in high costs, the inefficient use of funds and uncompetitive conditions and unfair distribution in this country.

From preparation to the conclusion of the Bogor AELM, we sense our national achievement. We are wise enough in handling conflicting perceptions. The goal of APEC, which is to create a free and open trade system through economic cooperation, can only be attained through partnership and mutual trust.

Through APEC, Indonesia is contributing to creating stability, peace, and prosperity in a region larger than ASEAN. With ASEAN at the core, a wider and more comprehensive cooperation can be initiated.

Indonesia's capability in forging different perceptions together and moving them in a common direction and banding them together to take one action is an achievement. We have become the effective mediator, not only in dialogues but also in North-South cooperation.

President Suharto has willed his legacy, his path, to the Nonaligned Movement two years ago, and now, to the Asia-Pacific economic cooperation.

The pioneering legacy will automatically increase our national awareness for self-improvement so that we will contribute more to justice and welfare, primarily to the Indonesian people, and at the same time to the prosperity and security of the Asia-Pacific region.

Editorial Calls for Reflection After APEC

BK1611142294 Jakarta MERDEKA in Indonesian 16 Nov 94 p 6

[Editorial: "Standing Firmly on the Ground"]

[FBIS Translated Text] The APEC [Asia-Pacific Economic Cooperation] summit ends today. This means that after watching the festivities for over a week, during which we were fascinated by the determined performance of the "Malay tigress" [Malaysian minister of international trade and industry] Rafidah Aziz, who strongly defended the economic sovereignty of developing countries against trade liberalization, and enjoying the smiles of President Bill Clinton, who seemed to carry with him Julius Caesar's "Veni, Vidi, Vici" [I came, I saw, I conquered], let us now return to our daily routine. The APEC festivities and the two-day holiday are adequate for us to honor the presence of the 17 Asia-Pacific economic leaders who were our guests.

After several days of being overwhelmed by expressions like: "a world without sovereign national boundaries", "unobstructed trade and banking investment flow", and so forth, let us now return to our daily routine. Let us stand firmly on the earth where we live and work by paying attention to the inflation rate which is already in double digits, which may affect our single-digit economic growth rate. Let us review our monetary system and trade balance, solve our fake exports problem, and improve our deteriorating banking system.

To pay attention to where we stand means we must work hard and maximize our infrastructural facilities so as to solve the bad loan crisis which has turned out to be worse than the recent court case. To stand firmly on the ground also means that that we have to work hard to develop our human resources, which, after three decades of development, still lag far behind our ASEAN neighbors. We must improve the quality of education for the next generation, without justifiying the means to attain the ends even though other nations are doing it. We must also restructure and direct our development program into one based on justice.

To stand on the ground also implies that we dare to make mistakes, correct, and learn from them. It also means that we dare to look at our abilities, to learn from the failures and successes achieved by the economic leaders who attended the Bogor summit. This means that we dare to remove outdated ideas and improve ourselves to enable us to compete with our APEC trade partners. We must be able to give and take without losing our dignity and our basic interests. In this context, it is imperative that we listen to what U.S. President Bill Clinton had to say on the need to honor the universal principle of human rights without the sense of self-righteousness, or arrogance that we are the most knowledgeable nation on the issue.

As a host who have deep respect for his guests and concurrently business partners, we must not adopt the proverb "other people's mistakes are clearly visible, while one's mistakes are invisible" It is good to teach our youngsters this proverb, but it is not suitable for our guests who wish to live in a good, peaceful, and civilized community. Why not? If we want to show that we have been a civilized and cultured nation for thousands of years, the last few days would have been the best time to show the 17 APEC economic leaders and thousands of foreign and local journalists, who had come to cover the historic event, which will possibly not happen again in the next few years.

Other nations may be mean, egoistic, or unable to see the vastness of the universe and historical process due to the situation they are facing, but such a situation should never happen to us as a nation occupying the archipelago along the equator and flanked by two oceans. We should understand the positive achievements of other countries, ignore the negative ones, and learn good lessons from them. To stand firmly on the ground can also mean that we are ready to understand ourselves and other nations. Without this understanding, we will never solve the daily problems that affect our country.

* APEC Seen as Useful Forum for Cooperation

95SE0011A Jakarta PELITA in Indonesian 10 Oct 94 pp 4, 8

[Article by Humphrey Wangke, researcher at the Center for Information Studies and Services of the DPR (Parliament): "Relevance of APEC (Asia-Pacific Economic Cooperation) for Indonesia"]

[FBIS Translated Text] Economic integration has two aspects: 1) Economic integration that is institutional, namely that which is defined by political authority (state/government). An example of such an integration process is the EEC, which is based on a formal agreement, the Rome Agreement. 2) Economic integration that is functional, which occurs because of growing mutual economic dependence. The Asia Pacific economy is an example of an economic integration process originating from the economic players themselves. (Hadi Susastro, *Analysis*, 1992)

Asia-Pacific Economic Cooperation (APEC), founded officially in November 1989, was originally intended as a consultative forum among 12 Asia-Pacific countries, namely ASEAN, the United States, Canada, Japan, South Korea, Australia, and New Zealand. At the Third Summit Meeting in Seoul in 1991, APEC membership was increased to 15 when the PRC, Taiwan, and Hong Kong were accepted as new members. The recent trend has been toward the addition of new members, as seen at the APEC economic leaders meeting (AELM) in Seattle in 1993. Mexico, Papua New Guinea, and Chile were accepted as members, although Chile's active membership will not become effective until the sixth summit meeting in Jakarta in November.

The idea for the formation of APEC, which was proposed by Australian Prime Minister Bob Hawke, had as its background the uncertainty of the international political and economic situation. Hawke voiced the need for a nonformal forum for discussing liberalization of trade and investment. Factors that encouraged the formation of APEC included visions of failure of the Uruguay Round, which brought fears of increased protectionism; the emergence of trade groups like PTE's [private trade entities] and NAFTA [North American Free Trade Agreement]; political and economic changes in the United States and Eastern Europe; and expanding national economic interests.

If we look to the past, we see that when the Cold War ended in 1988, world political and economic conditions changed radically. At the same time, an increasingly pressing need began to be felt for open and effective economic ties in the Asia-Pacific region. Tensions in world trade were on the rise, because, although GATT included provisions on reducing tariffs, protectionism was felt to be expanding in practice. Simultaneously, a trade policy trend toward multilateral approaches outside GATT was emerging in the international arena.

Unexpected and rapid developments in APEC are taking clear form. Four meetings were held at the ministerial level, but, with the Seattle meeting in 1993, APEC meetings began to be held at a higher level.

When viewed from the aspect of economic progress, APEC countries are at different levels. The United States, Canada, and Japan are very advanced countries. They can be stimulators of the economies of other member countries through both capital and technology. South Korea, Hong Kong, Taiwan, and Singapore are newly industrialized countries that are expected to be examples of technology transfer. Indonesia, Thailand, Malaysia, the Philippines, and China are developing countries that can become markets and investment fields.

Malaysia is somewhat skeptical about APEC's future, however, because Malaysia considers it only an instrument of the United States for achieving its own economic interests. Malaysia clearly gives more importance to the concept it proposed at the ASEAN Summit Conference in Singapore in 1992, namely the EAEG [East Asia Economic Group], which was later changed to EAEC [East Asia Economic Caucus]. This idea of Mahathir's is based on the thought that states in East Asia need to form a separate free trade region so that the very great economic growth in the East Asian area will not be influenced by the emergence of trade blocs in Europe and North America. His concept has not received a positive reception, however, because Japan and South Korea, which were expected to be the driving force of the EAEG, declined to join. Therefore, Malaysia likewise declined to attend at Seattle. Malaysia's attitude has recently begun to soften, however, by stating it will attend the APEC summit conference in Jakarta in November.

When the APEC concept was first launched, ASEAN was still uncertain because of the worry that its membership in APEC would weaken existing intra-ASEAN economic cooperation embodied in the ASEAN Free Trade Area, but in the end it took an active role. In fact, the United States, which at first was uncertain, quickly took the initiative to hold a meeting at the chief-of-state and chief-of-government level at the fifth APEC meeting in Seattle. Indonesia, too, is now actively participating in APEC, as seen in the senior officials meeting in Denpasar.

Economic Cooperation

The concept of economic cooperation exists in the literature on international relations (Stuart Harris, "Economic Cooperation and Institution Building in the Asia Pacific Region," 1993). According to Harris, the concept of economic cooperation does not directly mean cooperation that is mutually profitable. Economic cooperation, which can take place at various levels in society, has two important aspects that must be given attention.

First, government policy on cooperation encompasses a variety of activities, including consulting on specific economic problems (normally for avoiding conflicts) and collusion in markets that are uncompetitive/discriminative for the purpose of uniting markets or uniting policies. These things are usually done by governments or national companies.

Second, there is economic cooperation linked to the activity of a businessman or a privately owned company. Although the government nationally manages regulations, taxes, and the operational framework of legal entities within market mechanisms, the players in the market are generally individuals of privately owned companies. Such international market cooperation usually consists of economic exchange processes or production cooperation between national companies and involves two or more countries. It may also include project aid cooperation.

This theory also explains state economic cooperation, which generally begins with trade in goods and services between buyers and sellers in a competitive market. Not all trade has these characteristics, however. Such a situation can occur because of elements of monopoly that reduce cooperation in trade relations.

Although economic cooperation is generally linked to trade issues, particularly regarding goods and services, it may also encompass economic exchange in fields such as capital, manpower, or technology. However, if market conditions are competitive, which is a reflection of few obstacles to trade and an unrestricted information flow, economic cooperation as defined above will automatically occur normally. Such economic cooperation has become a growing regional phenomenon.

APEC is an economic cooperation forum for the purpose of expanding trade and investment in the Asia Pacific area. APEC is not a small organization. Its 15 members produce 50 percent of the world's gross domestic product. It conducts 40 percent of the world's trade and is supported by a population of 2 billion. Although APEC is consultative, interregional trade among its members has good prospects, because their mutual dependence in exports amounts to about 65 percent (see table 1). For this purpose, 10 working groups have been formed with the job of formulating types of cooperation that can be conducted among APEC member nations.

APEC economic cooperation occurs not only at the government level, but also in the private sector. At the meeting of the Trade Promotion Working Group from 2 to 4 March, the increasing role of the private sector in Asia-Pacific economic cooperation was reflected. It was stressed there that the participation of the private sector in APEC activities will be important in the future. This was evidenced by the formation of the APEC Business Forum. The importance of the private sector's role is felt primarily in the financing of infrastructure projects in the developing countries.

Indonesian Opportunities and Efforts in APEC

a) Trade

Although APEC is a forum for policy consultation rather than negotiations, it will be of great use in the expansion of trade and investment, especially through dialogue among members on macroeconomic trends, trade and investment policies, and business practices, which will be oriented to policy coordination. Thus, APEC can contribute to lowering barriers to trade, investment, and travel. In this area, Indonesia needs to draw benefit from the process.

According to World Bank calculations, Indonesia and APEC members in East Asia, such as Japan, Hong Kong, Singapore, Taiwan, South Korea, Thailand, and Malaysia, experienced the greatest economic growth in the world during the period 1965-1990 and are expected to continue in that way until the year 2000. Each of these countries has placed the industrial sector as the driving force of growth.

Until now, Indonesian trade with other APEC members has flowed freely and has been based on the strength of market economy. According to existing data, total Indonesian trade with APEC countries has grown steadily (see table 2). The same is true of Indonesia's trade surplus. Indonesia's total trade in 1991 was $41.346 billion and rose to $46.169 in the next year. Indonesia's exports to APEC members totaled $23.273 billion, while its imports totaled $18.079 billion. Thus, Indonesia's surplus in that year was $5.2 billion and rose to $7.617 billion in 1992 by reason of $26.393 billion in exports and $18.776 billion in imports.

Exports by Indonesia and other APEC members has produced mutually dependent activities among the countries of East Asia and between East Asia and North America. Because these mutually dependent activities will expand in the years to come, what is needed now is a guarantee of fair and transparent trade. This was obtained through the signing of the GATT agreement at Marrakesh on 15 April.

b) North-South Dialogue

In the midst of the globalization and regionalism currents now at work in the world, the Asia-Pacific region is growing rapidly and dynamically. Indonesia is giving much attention to developments in the region. The countries of the Asia-Pacific region are in a relatively more advantageous position than those in other parts of the world. Economic growth is accelerating rapidly, supported by relatively steady stability and peace. Economic cooperation among Asia-Pacific nations is growing on the basis of mutual benefit. The formation of APEC can expand ties of economic cooperation to enhance progress and prosperity. The objective of APEC is to strengthen member abilities to seek their common interests, including through such means as a wider multilateral forum. It is hoped that in APEC good cooperation can be realized between industrialized and developing countries as a tangible realization of relations between North and South.

There is great variation in the levels of economic progress by countries in the APEC sphere. Some are advanced, industrialized countries; some are in the category of newly industrialized countries (NIC's); and some are in the category of developing countries. Because of such a composition, Indonesia wants to make APEC a multilateral forum that will be more useful for more balanced growth in the Asia-Pacific region. In other words, through this multilateral vehicle, developing countries can reduce pressure from industrialized countries, especially in the economic sector.

Indonesia can play a role in such a context. Countries of the South have always been hurt by the policies of Northern countries. When the productivity of Northern countries was high, Southern countries became weak. Northern countries stressed mercantilism in the form of excessive protectionism; and when countries of the South were poor, because they were not efficient they were not encouraged to industrialize. Now, when many countries of the South are expanding their exports of manufactured products, Northern countries are emphasizing protectionism through trade blocs.

Therefore the current struggle of Southern countries is to create a regime of global trade that will enable them to obtain proper incomes from their exports. A possible middle road is to create trade procedures that emphasize that actors are mutually dependent.

President Suharto stressed that APEC economic cooperation must remain free and unstructured. Although APEC has formulated a number of cooperation projects to strengthen the economies of countries in the region, APEC still needs to remain a consultative body and thus be unable to force its decisions on member countries. This means that domination by the big countries in APEC will be prevented.

Foreign Minister Ali Alatas added that the bigger countries have always put pressure on weaker countries for the sake of the interests of the big countries. Through APEC, this pressure will at least be reduced, because there will be many who discuss the same issues, which in the past were felt as pressure on the developing countries. Therefore, Indonesia will always use APEC as a vehicle for expanding development cooperation, which is expected to give more encouragement to APEC members to spur their economies, such as through human resource development, technology transfer, and provision of infrastructure.

It appears that development cooperation will be APEC's main focus under Indonesia's leadership. There are four sectors that will be the priorities of Indonesian leadership: human resource development, infrastructure development, development of small- and medium-sized business, and private sector participation in APEC. Because the government realizes the limitations of its funds, the use of those funds will be oriented toward areas that the private sector cannot handle, such as efforts to reduce poverty.

Table 1. APEC Trade Market Share (in billions of U.S. dollars)

	1988	1989	1990	1991	1992
APEC Exports					
To Members	712.1	784.0	839.9	914.6	1,002.6
To Nonmembers	367.3	395.7	436.8	480.6	515.4
Total Exports	1,079.4	1,180.0	1,276.7	1,395.2	1,518.0
Market Share Within APEC (%)	66.0	66.5	65.8	65.6	66.0
APEC Imports					
From Within APEC	737.5	814.9	862.9	934.8	1,020.9
From Outside APEC	3,348.6	425.7	480.0	468.9	498.5
Market Share Within APEC (%)	65.7	65.7	64.2	66.6	67.2

Source: *Far Eastern Economic Review* 18 November 1993, p. 17

Table 2. Indonesian Balance of Trade with APEC Countries (in thousands of U.S. dollars)

Country	1992		1993	
	Exports	Imports	Exports	Imports
1. United States	4,419,105	3,882,440	4,752,159	2,934,882
2. Australia	746,125	1,412,962	773,859	1,237,341
3. Japan	10,760,524	6,013,748	10,292,278	5,511,215
4. Brunei	25,315	706	31,080	967
5. Canada	289,032	459,331	227,667	370,001
6. China	1,396,437	751,517	1,159,150	832,271
7. Hong Kong	881,102	228,963	820,339	226,031
8. South Korea	2,083,284	1,894,104	2,017,174	1,922,806
9. Malaysia	487,535	542,574	534,693	452,401
10. New Zealand	37,416	135,919	55,137	148,537
11. Philippines	181,307	52,158	263,532	50,868
12. Singapore	3,313,543	1,670,678	3,068,592	1,645,282
13. Taiwan	1,279,305	1,292,325	1,311,609	1,202,826
14. Thailand	352,799	344,658	423,314	217,927
15. Mexico	87,232	56,099	128,262	57,348
16. Papua New Guinea	32,193	3,361	21,697	1,520
17. Chile	20,900	112,799	29,719	120,125

Source: Central Bureau of Statistics, data for 1993 through November

* Bank Governor Says Foreign Loans Still Needed

95SE0019A Jakarta KOMPAS in Indonesian 22 Sep 94 pp 1, 13

[FBIS Translated Text] Jakarta, KOMPAS—In the context of resolving imbalances between investment needs and the level of community savings, for the near future Indonesia will still depend on funds from abroad, including foreign loans. To ensure that all such matters are handled with great care and to support the creation of a good investment climate, the government will seek to adopt policies which provide certainty in this area.

This was stated by Sudradjad Djiwandono, the governor of the BI [Bank Indonesia], in his opening address at the "Indonesian Marketing Services Conference" which is being sponsored by Program Magister Manajemen Unika Atma Jaya [Atma Jaya Single Management Teaching Program], together with "The Source" and the Enteos Club. The program was later presented at the Indonesian Executive Circle in Jakarta on 21 September.

Sudradjad stated that Indonesian investment needs during the forthcoming Sixth Five-Year Plan are estimated at about 600.1 trillion rupiahs. However, like other developing countries, Indonesia is still faced with an imbalance between high expenditures for investment and the ability of the people to save.

It is that imbalance which must be made up by funds from abroad in the form of foreign loans and capital investment, both direct as well as indirect. However, Sudradjad said that the use of foreign funds must be limited so that they do not disturb macroeconomic stability.

For that reason, Sudradjad added, the principal priority will be placed on foreign "concessionary loans," particularly in the context of loans extended by the CGI (Consultative Group on Indonesia) to finance government projects.

He said: "For other projects obtaining foreign funds through capital investment, both directly in the form of PMA [foreign capital investment] programs or indirectly through the sale of shares of stock and financial obligations in the capital market, would be a better alternative."

$90 Billion

Sudradjad said that foreign loans entered into by the government up to the present amount to $55 billion. Meanwhile, loans entered into by private Indonesian firms amount to about $35 billion.

According to the governor of the BI, Indonesia is the third or fourth largest borrower in the world. The Indonesian Government is trying to handle its loans well. A problem which has turned out to be rather difficult is the fact that more than 40 percent of the outstanding loans are denominated in Japanese yen. Sudradjad said: "This means that 35 percent of our repayment obligations must be met in yen."

However, with better investment practices Sudradjad believes that the business community will be able to save money more effectively. He added that with government savings derived from a budgetary surplus, it is hoped that the imbalance between the need for investment funds and the level of savings will be smaller.

Sudradjad considers that the ability of several Indonesian business firms to obtain funds from abroad is a matter which reduces the government's need to enter into new loans. Sudradjad said: "At the present time several of these business firms already have their own 'investment rating,' and it is hoped that they will be successful in obtaining funds for investment."

However, although he did not say so specifically, a number of Indonesian companies have sold shares abroad. These firms include PT Tri Polyta, which is registered for selling shares through the NASDAQ; PT Astra International and Indah Kiat, which sell their obligations in Europe; and PT Bakrie Brothers, which has attracted U.S. firms into buying some of the shares of the Bakrie family. At present a BUMN company [Indonesian state-owned company], that is, PT Indosat, is preparing to offer its shares on the New York Stock Exchange.

When he was asked by a participant at the marketing services conference whether the action taken by a few large companies in borrowing money from abroad to pay off their debts will not endanger the balance of payments, Sudradjad said that this kind of action is common in the business world. He stated: "This sort of thing is known as 'filling in the gaps.' However, as far as that is concerned, there is certainly nothing wrong with improving the loan structure."

Problem Loans

Sudradjad also said that financing investments by business firms in the next few years can no longer be relied on by the banking sector. At present overdependence on the banking sector has resulted in making company "debt equity ratios" very large and has caused a number of difficulties to emerge, such as problem loans.

For that reason the government, together with the BI and other institutions in this connection, has tried to improve banking conditions and to carefully handle cases considered likely to reduce the people's confidence in the banking sector. The creation of a feeling of confidence in bank savings, according to Sudradjad, will stimulate an increase in public savings, in the form of giros [drafts], demand deposits, or savings deposits.

Regarding action to be taken to resolve problem loans that have damaged the position of certain banks in Indonesia, Sudradjad said that his bank has set up a special team to handle them. In the case of government banks confronted with problem loans, the BI and officials from the Department of Finance directly assist them from the management point of view. Meanwhile, accountants have been especially appointed to undertake direct negotiations between the company which has the problem loan and the government bank concerned.

In the case of private banks, the BI undertakes an examination of the quality of the assets which they hold. If difficulties are found, the bank concerned is asked to form a special team to resolve them. The BI itself will form the same kind of body, which will be responsible for providing guidance.

Sudradjad said: "At present the BI is preparing a list of the criteria and alternative methods which can be applied to resolve problem loans, including the possibility of mergers, consolidations, and acquisitions."

All of these steps, according to the BI governor, will not lead his bank to ignore legal regulations in effect. The BI is undertaking intensive discussions with the Indonesian Supreme Court, the Department of Justice, the Office of the Attorney General, the National Defense Board, and BUPLN [Foreign Payments Management Board].

Sudradjad added: "In addition, the BI has not neglected continuing to improve its organization and raising the capabilities of bank employees."

'Overheated'

According to Sudradjad, in addition to the question of problem loans, the BI is paying close attention to the problem of economic growth, so that the economy will not become "overheated." For example, since May 1994 the BI has specifically raised the interest rate on Bank Indonesia Certificates (SBI) because it saw that there was a tendency for economic conditions to become overheated.

This tendency is seen in the very high growth of loans extended, particularly in the real estate sector and especially during the first eight months of 1994. Further, the import value of non-oil and natural gas products has specifically been seen to have risen sharply.

Sudradjad said: "During fiscal year 1989-1990, when the Indonesian economy became 'overheated,' this is what happened. It was to prevent that from happening again that the BI immediately raised the interest rate on its SBI certificates."

The BI governor did not deny that the increase in the rate on its SBI's caused domestic interest rates to rise. Furthermore, at the same time there was an increase in interest rates resulting from higher interest rates on the international market, following action by the U.S. Federal Reserve Board, which increased its interest rates five times over a period of four months.

Sudradjad said: "This really was a problem for the BI. However, it was something which could not be prevented, and the BI only asked Indonesian commercial banks not to increase interest rates before considering the capital structure, so that this would not become a problem in the future."

The Policy of Adjustment

In another part of his speech Sudradjad also said that global economic uncertainties resulted in structural changes. As these changes become increasingly dynamic, uncertainties are increasingly felt by the business world. Because of that government policies in the future will be more specifically directed toward reducing uncertainty or increasing certainty.

He said: "Because we are players on the world stage, we want to be able to rely increasingly on exports to stimulate our economy. Whether we like it or not, we must look at what is happening overseas. So if there is a change in the situation, the first thing to try to do is to reduce the negative impact of such a change. However, no less important is using these changes so that we will also be able to continue benefiting from them."

Sudradjad added that the way to do this is to try to ensure that government policy is always consistent. Furthermore, we can also promote overall stability and continue to implement a balanced and dynamic budget.

He said: "That is the macroeconomic aspect. Meanwhile, the monetary aspect is how to act so that the rupiah in terms of its ability to command goods and services or prices continue to remain under control in the framework of reducing uncertainty. Meanwhile, another aspect is to ensure that the exchange rate between the rupiah and other currencies remains realistic."

Laos

* Party Paper Hails Relations With PRC

95SE0010B Vientiane PASASON in Lao 1 Oct 94 pp 1, 4

[Editorial: "The Chinese People Achieve Great New Successes in Their Efforts To Reform and Open Up"]

[FBIS Translated Text] On 1 October this year the Chinese people celebrate their 45th national day with great pride in the many great achievements of their struggle to put into effect the policy of economic reform and opening up to the world taken by the party and state of the PRC.

It was 45 years ago that the resolute Chinese people under the leadership of the Chinese Communist Party with Chairman Mao Zedong as its head were able to liberate their nation. They achieved independence and freedom for themselves and the PRC on 1 October 1949. This was a very historic event for the Chinese people. Since that day, with hard work and perseverance and through many tests, the Chinese people have overcome obstacles and difficulties and achieved new victories so that their duty of developing the nation has been accomplished in steady, rapid steps.

In the past 15 years, since adoption of the policies of economic reform and opening up to the outside world, the Chinese people under the leadership of the Chinese Communist Party have made building the economy their central activity. They have held firm to economic reform and opening up, and they have held firm to four basic principles: the leadership of the party, revolutionary policies, Marxism-Leninism, and the ideology of Mao Zedong. And they always adhered to people's democracy. As a result the PRC has been successful in every area in accomplishing its duty of building its bright socialism. At present the PRC is politically stable, it has an expanding economy, and its science and technology are steadily advancing. The living standard of its people has been raised very high both materially and spiritually.

The average income of a Chinese person was only 916 yuan in 1987. This had increased to 2,337 yuan by 1993. From 1987 to 1992 the gross domestic product increased an average of 8 percent per year. In 1993 it increased 13.4 percent. It is estimated that in 1994 the gross domestic product will increase at a rapid pace. The rate of growth of the national economy is 9 percent per year, and it could be 11 percent in 1994. Agricultural production has increased 4.9 percent, industrial production has increased 15 percent, and production in other areas has increased noticeably.

At present the Chinese people are following the advice of Mr Deng Xiaoping, an old Chinese revolutionary who said: "hasten to reform and quickly open up to the outside world in an orderly fashion." They had to be brave to continue the reform and to open up more quickly. They could not hesitate to experiment. Lessons had to be learned because no activity would be completely successful in the initial stage of the new era for developing China. All this would bring the reform and the opening up to the whole country and would bring great prosperity to the Chinese people throughout the country. The Lao people would like to express their admiration and believe that the victory achieved by the Chinese people is theirs alone and is a priceless lesson for developing their own nation now.

Laos and China are neighboring countries, and the people of the two countries have had a tradition of good relations since ancient times. In recent years the friendly relations and cooperation in every area between the parties, states and peoples of Laos and China have expanded broadly. This was because Laos and China have a tradition of friendly relations which has been tested in the progress of their struggles for some time. This relationship is based on the principle of mutual respect for independence as well as on equality and mutual benefits. The visit to the PRC at the end of last year by party leader Khamtai Siphandon clearly encouraged these traditionally good relations between the two countries to enter a period of new expansion. The most outstanding result was the signing of the treaty concerning the border between the two countries and the cooperation in other areas, such as the exchange of representatives from various sectors and the commercial, scientific, technological and cultural relations which have made the friendly relations and the cooperation between the two countries blossom. The visit was a symbol of the mutual understanding and sincerety which have made the relations and cooperation in every area expand and become more effective, and it has brought benefits to the people of Laos and China.

On this great occasion the Lao people throughout the country wish that the people of China under the leadership of the Communist Party of China with Jiang Zemin as its leader achieve even greater victories in their efforts at reform and opening up so that they can make the bright socialism of China prosper.

Iranian Education Group Begins Two-Day Visit

BK1611131094 Vientiane KPL in English 0929 GMT 16 Nov 94

[FBIS Transcribed Text] Vientiane, November 16 (KPL)—A high-level delegation of education of Iran led by Dr. 'Abdollah Jasbi, Cultural Revolutionary Council member, director of University of Iran, arrived here yesterday afternoon for a two day official visit to Laos.

During its stay here, the Iranian delegation will consult with Lao side on educational work, call on Phongsavat Boupha, deputy minister of foreign affairs, pay courtesy visit to [the] deputy minister of education, visit universities of Vientiane teacher training, the December 2 Polytechnical School, and other places of interest.

Prosecution Delegation Returns From SRV

BK1611130794 Vientiane KPL in English 0915 GMT 16 Nov 94

[FBIS Transcribed Text] Vientiane, November 16 (KPL)—The Lao delegation of the Public Prosecution Institution headed by Mr. Ounla Sai-gnasan, public prosecutor-general, arrived from the Socialist Republic of Vietnam yesterday.

The visit to Vietnam by the delegation has strengthened the special all-round relations and cooperation between Laos and Vietnam as well as between the two institutions. The delegations of the two countries' institutions discussed their activities to exchange experience in the area of their work.

While in Vietnam, the Lao delegation met with officials concerned at provincial and district levels, visited some economic and cultural establishments.

* Army Paper Warns Against 'Peaceful Evolution'

95SE0010A Vientiane KONGTHAP PASASON LAO in Lao 14 Sep 94 p 1

[Editorial: "Raise High the Mastery of Maintaining Local Security"]

[FBIS Translated Excerpt] [Passage omitted] The bad groups have not only been unwilling to give up their evil schemes to disrupt the development of the nation and the new regime of our people but have also increased their use of clever tricks. For example they have continued to push the scheme of peaceful evolution etc. They have spread propaganda to break the solidarity between the army, the people and the local administrations and to break the solidarity between the localities and the various ethnic groups. And they have tried to cause unrest in some places.

Therefore our army and people must increase their awareness in order to crush every scheme of the enemy and defeat them in every instance so that the localities are at peace. In order to do this we must first train the people so that they absorb the policies of the party and recognize clearly the schemes of the enemy, for example, the strategy of peaceful evolution. And we must be determined to strengthen the guerrilla networks and the public security networks, to increase the spirit of mastery in defending the villages of all the people, to strive to keep a grip on every operation of bad groups at all times, and to be prepared to punish them when they persist in committing crimes against our people. [passage omitted]

Therefore the military units stationed everywhere should continue the tradition of solidarity between the army and the people, which is that of "a fish in the water". They should strengthen this solidarity and be determined to help the local administrations and the guerrilla forces maintain the peace in the villages and to incease production, improve the economy and expand culture in the localities steadily. They should be determined steadily to raise the material and spiritual standard of living of the multi-ethnic people so that the living standards of various ethnic groups rise at a similar pace.

Houa Phan Province Foresees Poor Rice Harvest

BK1611131194 Vientiane KPL in English 0920 GMT 16 Nov 94

[FBIS Transcribed Text] Vientiane, November 16 (KPL)—The harvest of the rain-fed rice crop in Houa Phan Province is 85 [percent] completed of the total 8,008-ha paddy fields while that of the upland rice crop is also 85 [percent] completed of the total areas of 15,782 ha.

The paddy field surviving from the damages of floods, erosion and pests total 7,585 ha while those of upland rice crop total 15,409 ha.

According to Mr. Phommachan, chief of the cultivation division of this northern province, the total harvest is predicted at 58,664 tons of paddy, a rise of 2.2 [percent] over last year's. The average yield of the rain-fed rice crop amounts to 3.5 tons per hectare and that of upland rice crop to two tons a hectare. The per-capita rice output reaches 250 kg per year. Taking into consideration of its population, Houa Phan is somehow expected to face a rice shortage for two and a half months.

Meanwhile, the harvest in the northern province of Sayaboury is 40 [percent] completed of the entire 14,015-ha paddy fields with a yield of 3.6 tons of paddy per ha.

Thailand

U.S. Secretary of State on Official Visit

Holds Talks With Foreign Minister

BK1711020794 Bangkok THE NATION in English 17 Nov 94 p A7

[FBIS Transcribed Text] US Secretary of State Warren Christopher arrived here yesterday for a two-day official visit in which said he is expected to reaffirm President Bill Clinton's firm commitment to Asia in spite of the crushing defeat suffered by his Democrat Party in last Tuesday's state and congressional elections, an informed source said yesterday.

Christopher flew in from Jakarta where Clinton along with 17 other leaders from member states of the Asia Pacific Economic Cooperation (Apec) grouping agreed on Tuesday to endorse ambitious trade liberalization plans at an informal summit held at the Indonesian town of Bogor.

According to the source, Christopher is expected to play down fears voiced by some Asian leaders that Clinton's "Look East" foreign policies may meet opposition from the US Congress in which the conservative Republican Party won a majority for the first time since 1954.

Christopher upset Thai officials in July when he was forced to skip a meeting here of foreign ministers from the Association of Southeast Asian Nations (Asean) in order to lead a peace mission to the Middle East.

The US Secretary of State is to meet today with Prime Minister Chuan Likphai and Foreign Minister Thaksin Chinnawat and will discuss Thailand's progress in enforcing new legislation on the protection of patents and copyright, ways to further boost trade and investment between the two countries as well as regional security matters.

According to Deputy Foreign Minister Surin Phitsuwan, Thai-US trade has increased by 23 per cent compared to the same period last year.

The deputy foreign minister said the Thai side was unlikely to bring up the matter of this country's refusal to entertain a US request for "floating bases" in the Gulf of Thailand unless Christopher raised the issue.

"The matter was finished once we turned down the request," Surin said.

Christopher's hectic schedule includes a working breakfast with US businessmen based in Thailand and a brief visit to the Ratchadamri Road offices of the American University Alumni (AUA).

Christopher will also be granted an evening audience with His Majesty the King at Chitlada Palace before he departs for Washington tonight.

His arrival here coincides with a visit by a group of US senators who have just flown in from Vietnam. Democrat Senator Sam Nunn and his delegation will today attend a luncheon at a Bangkok hotel to mark the establishment of the Thai-US Business Council.

Meets With Prime Minister

BK1711155694 Bangkok Radio Thailand Network in Thai 1200 GMT 17 Nov 94

[FBIS Translated Text] Police Lieutenant Colonel Dr Thaksin Chinnawat, foreign minister, today at 1030 accompanied U.S. Secretary of State Warren Christopher and his delegation to call on Prime Minister Chuan Likphai at Parliament.

The prime minister welcomed the group and expressed his gratification that the APEC [Asia-Pacific Economic Cooperation] meeting in Indonesia was successfully completed. He noted that President Bill Clinton played a very important role in initiating the first APEC summit last year. The prime minister also thanked the U.S. Government for removing Thailand from the Priority Watch List and hoped that the United States will review and restore the special tariff privileges under the GSP [Generalized System of Preferences] for Thailand. The U.S. secretary of state said he would take the matter into consideration.

Touching on the question of Cambodia, the prime minister assured that the Thai Government has no policy of supporting or promoting the Khmer Rouge. However, due to the fact that Thailand and Cambodia share a very long common border, people maintain contacts which have existed for a long time. This is the reason why clandestine contacts and trading between peoples at the border continues. The Thai Government has not remained idle; it has set up a committee to investigate and solve the problem. The prime minister said the issue has created another big problem of grave concern for the government, that is, the smuggling of war weapons from Cambodia into Thailand. This has resulted in series of crimes in the country. The weapons also find their way into the hands of ethnic minorities in a neighboring country, and this is not good for bilateral relations.

The Thai prime minister and the U.S. secretary of state also exchanged views about the establishment of the World Trade Organization. Thailand will send a candidate for chairmanship of the World Trade Organization's Agricultural Committee. The prime minister sought support from the United States on this matter.

During his briefing for newsmen about a meeting he had with the U.S. secretary of state at the Foreign Ministry this morning, Foreign Minister Thaksin reported that they talked about the queen's planned visit to the United States to receive an environment-related award in May next year. The two countries will coordinate work to prepare a welcome for her majesty.

About a reported U.S. cut in aid for military training for Thai soldiers, the foreign minister said that the U.S. President is in the process of persuading the U.S. Congress that Thailand does not follow a policy of interfering in either Cambodia or Burma. It is hoped that the Congress will later have a deeper understanding of Thailand's policy and continue to provide financial assistance for military training.

Prime Minister Briefs Press on APEC Outcome

BK1711045494 Bangkok Radio Thailand Network in Thai 0000 GMT 17 Nov 94

[FBIS Translated Excerpt] Prime Minister Chuan Likphai briefed a press conference on the results of the meeting of the 18 leaders of the Asia-Pacific Economic Cooperation [APEC] at the Bangkok International Airport last night upon his return from Indonesia. Chuan said that he had attended the meeting held at Bogor, Indonesia between 13 and 16 November. He said that the meeting had issued the APEC declaration, which divides its members into two groups—the group of developed economies and another of developing economies. The declaration also sets up two periods for the implementation of free trade and investment among APEC members. The developed countries will complete the achievement of the goal of free trade and investment by the next 15 years while the developing countries will achieve the goal by the next 25 years. [passage omitted]

Watthana Seeks To Uphold Suit Against U.S.

BK1711045894 Bangkok THE NATION in English 17 Nov 94 p A8

[FBIS Transcribed Text] Chat Thai Party deputy leader Watthana Atsawahem yesterday asked the Appeals Court to uphold his defamation action against the US ambassador and the director of the United States Information Service (USIS).

The Criminal Court on Oct 25 dismissed Watthana's charges against US Ambassador David Lambertson and USIS chief John M Reed, saying they had diplomatic immunity. Watthana is asking that the court be instructed to conduct a preliminary hearing of his case.

Watthana claims the two damaged his reputation by revealing he had been refused a United States visa on suspicion he was linked to drug trafficking.

In his appeal he said that under Article 158 in the Criminal Code, if a plaintiff, who is not government official, files a lawsuit against government officials the court must conduct a preliminary hearing before deciding if the case should proceed.

Minister Welcomes U.S. Interest Rate Hike

BK1711072594 Bangkok THE NATION in English 17 Nov 94 pp A1, A4

[FBIS Transcribed Text] Two senior officials of the Bank of Thailand yesterday said they did not rule out a further hike in US Federal Reserve interest rates despite a three-quarters of a point increase announced on Tuesday morning (Bangkok time).

Finance Minister Tharin Nimmanhemin welcomed the US rate rise and subsequent interest rate increases by two major Thai banks as helping put a brake on inflationary trends in Thailand. Major Thai commercial banks have followed suit by raising their lending rates by a quarter of a percentage point and deposit rates by half a point yesterday.

The Fed rate increase announcement was the sixth hike this year and the steepest since 1981 and aimed primarily at checking inflation.

The Bangkok Bank and Thai Farmers Bank announced an increase in their prime rates from 11.50 per cent to 11.75 per cent yesterday. The two banks also raised their penalty rates on credit card loans after the Bank of Thailand asked commercial banks last week not to lend excessively to the non-productive economic sectors.

Bankers said they would follow the Bangkok Bank move to preserve their market share despite the local rate increase being unnecessary due to prevailing excess liquidity.

There was also heavy demand for the US dollar on the Thai foreign exchange market as borrowers of the greenback were anticipating further appreciation of the currency and were preparing to make foreign loan repayments.

The Bank of Thailand welcomed the domestic interest rate increase, which it sees as a means of curtailing the inflation rate to five per cent this year.

Roengchai Marakanon, deputy governor of the Bank of Thailand, predicted that the Federal Reserve might raise its rates again in December. "The 0.75 percentage point increase is not much," he said.

Thanasak Chantharowat, deputy director of the central bank's Banking Department, said some tight money was witnessed yesterday as the interbank rate rose to 5.25 per cent from about four per cent to five per cent.

He predicted that local banks would raise their interest rates in the clamour for domestic deposits with the view that deposit rates were "quite low".

Thanasak said the Bank of Thailand welcomed local banks mobilizing more deposits with the view that the prevailing liquidity in the financial market was attributed to foreign fund influxes, which could flow out at any time.

The stock market index yesterday closed 7.7 points down at 1,489.15 points, with a modest turnover of [Thai baht] Bt6.56 billion.

* Columnist on U.S. View of Libya Ties

95SE0014C Bangkok DAILY NEWS in Thai 13 Oct 94 p 2

[Column by Trairat Sunthonpraphat]

[FBIS Translated Excerpt] Today, Thailand must use diplomatic means instead of some other means in order to foster understanding and harmony and focus on Thailand's interests in line with the problems of neighboring countries and the world.

Surin Phitsuwan, the deputy minister of foreign affairs, recently returned from a trip to Libya. That can be considered to be an offensive diplomatic step rather than a defensive step, or simply following the lead of the great powers. [passage omitted]

The American ambassador to Thailand, Mr. David Lamberstan, was irritated by Mr. Surin's trip to Libya and asked to meet with him. I don't know what the United States said about Al-Qadhdhafi, the Libyan leader. They may have asked Thailand to stop sending officials to Libya or to distance itself from Libya.

In any event, this shows that as far as Thai diplomacy is concerned, we are now on our own and are taking action based on our own views instead of following the commands of Washington. But this is an offensive game that will be closely watched by Washington.

A secondary result of Mr. Surin's trip to Libya is that he was able to get a first-hand view of Libya's problems in the wake of the UN trade embargo following the crash of a Pan American aircraft in Scotland in 1988. A total of 270 people died in that crash, and the United States learned that those responsible for planting the bomb were Libyan. But Al-Qadhdhafi has steadfastly denied the charge.

About 10,000 Thai laborers are still working in Libya. Libya is very satisfied with their work. Mr. Surin discussed allowing those Thais to continue working there by issuing them a special visa (re-entry visa).

Mr. Surin has done a good job. He has studied the issue from various angles to see what Thailand can do without violating the UN resolution. And Libya has been asked not to interfere if terrorists in southern Thailand ask them for support.

Thailand is not the only country with workers there. Workers from South Korea and Germany are working in Libya, too. The United States can't put pressure on Thailand.

Mr. Surin saw the situation in Libya and learned that Libya has been seriously affected by the economic embargo. Diplomatically, Thailand can express sympathy or discuss future relations once the embargo has been lifted.

Also, Thailand can maintain relations to a certain degree, because the embargo has to do mainly with weapons and oil. There are many other types of goods that Thailand can sell that do not violate the terms of the embargo.

* Issues on Chuan's Agenda in Canada Listed

95SE0012C Bangkok SIAM RAT in Thai 4 Oct 94 p 3

[FBIS Translated Excerpt] Mr. Chuan Likphai, the prime minister, is on a trip to Canada at the invitation of the Canadian Government. He arrived in Ottawa, the capital of Canada, at 1700 local time on 2 October. He was welcomed by Mr. Jean Chretien, the prime minister of Canada. [passage omitted]

Mr. Chuan will hold talks with the Canadian prime minister during his official visit to Canada. The Canadian defense minister has expressed a desire to hold personal talks with the Thai minister of defense.

General Wichit Sukmak, the Thai minister of defense, said that during his talks with the Canadian defense minister, he will request military aid from Canada, particularly training assistance. In the past, the focus has been mainly on civilian aid.

At the same time, Mr. Pricha Musikun, the deputy minister of science, technology, and environment, will visit projects of the Spa Company, which uses aerospace technology to survey resources and prepare topographical maps. This company also makes space shuttles. During his visit, he will sign an agreement with this company on establishing a space center in Thailand in order to use aerospace technology to survey resources in Thailand. [passage omitted]

New Zealand Prime Minister Arrives for Visit

BK1611135794 Bangkok Voice of Free Asia in Thai 1030 GMT 16 Nov 94

[FBIS Translated Text] At 1245 today New Zealand Prime Minister Jim Bolger arrived at the Royal Thai Air Force airport in Bangkok to begin an official visit to Thailand from 16-19 November. This afternoon he had a meeting with the chairman of the Board of Trade of Thailand and the temporary president of the Thai-New Zealand Business Council.

Tomorrow the New Zealand prime minister will visit Khon Kaen University to receive an honorary degree in agriculture. He will then proceed to Sakhon Nakhon Province to donate books and sports equipment to a school in Akat Amnuai District. He will return to Bangkok on a special plane, arriving at 1800.

He is scheduled to pay a courtesy call on the king and meet with Prime Minister Chuan Likphai on 18 November. On the same day the Thai prime minister will host a dinner for his New Zealand counterpart and his wife.

Cambodian Court To Play Role in Sin Song Asylum

BK1711133294 Bangkok THE NATION in English 17 Nov 94 p A5

[FBIS Transcribed Text] A copy of the judgement passed on Cambodian coup plotter Sin Song by Phnom Penh court is expected in Bangkok in the next few days and will be used a basis to decide whether he is eligible for political asylum, Foreign Minister Thaksin Chinnawat said yesterday. If the court ruling indicated that Sin Song was convicted of a political rather than a criminal offence, he would be allowed to request asylum.

Police Director General Phot Bunyachinda said Sin Song's bail application will be considered after the Cambodian judgement arrives. Sin Song has asked for bail so that he can proceed with his request for political asylum. Song was arrested soon after the July 2 coup bid, but escaped from detention in Phnom Penh in September and later illegally crossed into Thailand.

A Cambodian military court last month sentenced him in absentia to 20 years in prison for his role in the failed power grab. On Nov 2 Sin Song and four aides were arrested at a house in Bangkok and charged with immigration offences. The Criminal Court on Nov 4 convicted the five men and sentenced them to suspended jail terms of two months and fines of [Thai baht] Bt2,800.

Deputy Prime Minister Banyat Banthatthan said yesterday police investigators would decide if Sin Song would be granted bail. The deputy chairman of the House committee on foreign affairs, Burin Hiranburana (Chat Thai-Prachin Buri), said yesterday Sin Song should seek asylum in a third country with no close links with Cambodia, for example Sweden or South Africa. Several countries have already turned down asylum requests from Sin Song.

Committee spokesman Kuthep Saikrachang (Phalang Tham Party-Sisaket) said he agreed with the defence and interior ministries that Sin Song should not be granted asylum in Thailand because it could affect relations with Cambodia. He should seek asylum in a third country, he said.

Interior Minister Chawalit Yongchaiyut said earlier it would be inappropriate for Sin Song to stay in Thailand.

Navy chief Adm Prachet Siridet also said Sin Song should not be granted asylum here because he would still be able to influence Cambodian politics.

Sin Song formally asked Interior Minister Chawalit yesterday to grant him asylum in Thailand, insisting that he was not involved in the abortive Phnom Penh coup. He claimed in a letter addressed to the minister that he had returned from Bangkok to Cambodia on July 1, only to find that troops surrounded his house on July 2. He said he was accused of storing firearms to be used in the coup, but troops searched his house and did not find any weapons. Sin Song said if he was returned to Cambodia he would be imprisoned for 20 years and would have no chance to fight the sentence. He urged Chawalit to grant him political asylum in Thailand or allow him to seek refuge in a third country. He also asked for temporary release from custody while Thai authorities consider his asylum request.

* General: Burma Rebels Get 'Humanitarian Aid'

95SE0014B Bangkok SIAM RAT in Thai 14 Oct 94 p 15

[FBIS Translated Excerpt] Police Lieutenant General Kowit Phakdiphum, the assistant director-general of the Police Department and the Region 5 police chief, said that he has ordered police officials in provinces bordering Burma that are under the control of the Region 5 Police to formulate measures to stop the smuggling of weapons out of Thailand and stop the flow of drugs into the country.

"A major problem along Thailand's northern border is the great demand for weapons by minority groups in Burma that are waging a struggle against the Burmese Government. This is the time of year when the Burmese Government usually launches an offensive against the armed minority group forces. Weapons are smuggled out of Thailand, and, at the same time, narcotics produced by the minority groups flow into Thailand," said the Region 5 police chief to a reporter in Chiang Mai Province on 13 October.

As for what preparations have been made to deal with incursions into Thailand stemming from the fighting in Burma, the Region 5 police chief said that things are being coordinated with the local police, the Border Patrol Police, and Special Action Unit 327. This unit is responsible for the safety of the Thai people living along the border, and it will definitely not permit any border incursions.

However, humanitarian aid will be given to foreigners who have been injured in the fighting. After they have been treated, they will be expelled. Those who are armed will be disarmed first. [passage omitted]

* Infantry Commander on Burma Border Coordination

95SE0014A Bangkok SIAM RAT in Thai 14 Oct 94 p 15

[FBIS Translated Text] The governors of western border provinces met with officers from the 9th Infantry Division in Kanchanaburi Province to discuss a security strategy to deal with the minority group problem and other problems.

On the afternoon of 13 October, a journalist reported from Kanchanaburi Province that the civil affairs section of the 9th Infantry Division organized a conference on the topic "Units on the Western Border Work Together Closely on Behalf of Thailand." Officials from various security units attended the meeting. Those attending included Major General Chalong Chotikakham, the commander of the 9th Infantry Division; the governors of Kanchanaburi, Ratburi, Phetburi, and Prachuap Khiri Khan Provinces; the superintendents of the Zone 13 and Zone 14 Border Patrol Police; labor officials; and representatives from the Police Immigration Division.

After the meeting, Major General Chalong said that the purpose of the meeting was to discuss ways to solve the problems along the Thai-Burmese border concerning the various minority groups. Regulations concerning the border will be drafted in order to increase security.

The commander of the 9th Division said that in drafting these regulations, the security units in the area will coordinate things with Burmese officials. In particular, steps will be taken to expel the minority group refugees. But humanitarian principles will be adhered to strictly. Steps will also be taken to deal with the international criticism concerning refugees.

Thailand has been sharply criticized by many humanitarian organizations, which have charged that Thailand's expulsion of minority group refugees, who have fled the fighting the Burma, is inhumane. But the Thai Ministry of Foreign Affairs and army have denied those charges.

* Chiang Rai-Burma Border Hours Expanded

95SE0012A Bangkok NAEO NA in Thai 5 Sep 94 p 31

[FBIS Translated Excerpt] Mr. Phira Manathat, the deputy governor of Chiang Rai Province, said that the Thai-Burmese Border Committee passed a resolution to increase the number of hours that the border transit point in Mae Sai District is open. The purpose of this is to promote trade and tourism and improve local relations between Chiang Rai Province and Keng Tung Province in Burma in accord with the policy of developing economic cooperation among the countries in the upper Mekong River Basin area. People will be allowed to cross the border here between the hours of 0600 and 2100 instead of 0600 to 1800.

On annual holidays stipulated by the province, these expanded hours are for people on foot only. Vehicles will not be allowed to pass during the hours of 1800-2100. Burmese will be allowed to travel up to 5 km from the border. During the hours of 1800-2100, people will not be permitted to bring in goods requiring customs protocol unless things are done in accord with the customs law.

In increasing the number of hours that the border crossing is open, the officials concerned must take steps to ensure that things are done in accord with the resolutions stipulated. This includes taking resolute action to stop weapons and drug trafficking and trafficking in other contraband goods. This is to remain in effect until the border transit point in Mae Sai District is opened on a permanent basis or other changes are announced. This is effective as of 30 September. [passage omitted]

* Defense Ministers 'Don't Meddle' in Military

95SE0012D Bangkok SIAM RAT in Thai 12 Oct 94 p 2

[FBIS Translated Excerpt] General Wimon Wongwanit, the army commander-in-chief, talked about who will be appointed from the Moral Force Party to serve as deputy minister of defense in place of Major General Sombat Rotphothong, who will be removed from this position. He said that the person appointed must be someone who understands the military and who can coordinate things. Soldiers know and understand one another.

General Wimon said that he has known Lieutenant General Buan Ngamkasem, an officer who is assigned to Supreme Command and who has been tapped to serve as deputy minister of defense, since they were students at the military academy. But they have never worked together, because they have served in different branches of the military.

General Wimon said that the positions of minister and deputy minister of defense are political positions. They are responsible for policy, but they don't meddle in the affairs of the military. Thus, there won't be any problems regardless of who is appointed. [passage omitted]

* Wimon on Methods for Military Procurement

95SE0014D Bangkok DAILY NEWS in Thai 13 Oct 94 p 3

[FBIS Translated Text] General Wimon Wongwanit, the army commander-in-chief, was interviewed at the Infantry Center, Thanrat Camp, Prachuap Khiri Khan Province, on the reports that from now on, the minister of defense will be in charge of procuring weapons. He said that with respect to buying weapons, the buyer must be someone who has been designated. Also, consideration must be given to the funds allotted to the military. The new weapons that are purchased must be used in conjunction with the weapons now in use in order to generate the greatest benefit.

General Wimon said that buying weapons is the duty of the procurement section, not the minister of defense. In no country in the world is the defense minister the procurement official. Needs must come from the units. The Ministry of Defense is in charge of policy matters.

* Chief of Staff Comments on Charter Changes

95SE0012B Bangkok SIAM RAT in Thai 9 Oct 94 pp 1, 2

[FBIS Translated Excerpt] [Passage omitted] General Pramon Phalawin, the chief of staff, officers, and a senator talked about amending the constitution. He said that as far as the Senate is concerned, there will not be any lobbying. It will not be possible to please everyone, because people have different ideas.

The chief of staff officers said that with respect to the constitution, even if not everything about it is good, we should accept it anyway because things have improved and we have greater democracy. At present, no one knows for sure what would be best. In view of this, people should not be in a rush to make conclusions about how things should be. Looking at senators, the point to consider is whether a person can serve the country in a democratic system. There will be problems if people are concerned only about becoming senators. As for whether greater diversity will be beneficial, we must see what the objectives are. Do we want everyone to be neutral or do we want people to separate into opposition and pro-government factions?

General Pramon said that senators can help foster stability. Regardless of who forms a government, senators should remain neutral. As for the view that amending the constitution will affect the stability of the government, there is no evidence of that. And it is not their duty to consider the security issue. "If people are willing to compromise and focus on solidarity, there shouldn't be any problems."

As for the view that senators really don't do anything, the chief of staff officers said that that is just a matter of people criticizing others. Today, senators who are members of subcommittees are considering various issues. "Sometimes, this criticism troubles us. But when we do take action, they charge that we are interfering." [passage omitted]

* Political Prospects for Academy Class 7

95SE0014E Bangkok LAK THAI in Thai 15-21 Oct 94 p 23

[FBIS Translated Text] It seems that CRMA [Chulachomklao Royal Military Academy] Class 7 has little hope of having one of its members being appointed army commander-in-chief [RTA CINC] or supreme commander, because these positions are like a "world without borders." After members of CRMA Class 7 staged the abortive 1-3 April 1981 coup, many members of this class faced a difficult fate. They were left in limbo and lost power. Many had to leave the military.

Some sought sympathy from members of older classes and returned to the army. But no one was entrusted with an important position, that is, none of those officers was put in command of troops or made chief of staff.

Thus, many members of CRMA Class 7 have decided to leave the military. Those who remain are simply waiting to retire. In the last military reshuffle, Lieutenant General Thawan Sawaengphak, the deputy army chief of staff, thought that he would be appointed assistant army chief of staff. But he was left in his old position, which was quite a jolt. But in any event, Lt. Gen. Thawan, a member of CRMA Class 7, or a Young Turk, is in a better position than other members of Class 7, who have absolutely no chance of being promoted in the army.

Other members of Class 7 besides Lt. Gen. Thawan, who is a lieutenant general and who has much power, who hold important positions are Lieutenant General Narunat Kampanatsaenyakon, the chief of the Engineer Department in Ratburi, and Lieutenant General Thanit Wasaphuti, who served as the commander of the 2d Corps but who was transferred to Army Headquarters during the last reshuffle.

Although CRMA Class 7 has little hope in the military, outside the military its chances are much better than those of members of other classes, particularly in the field of politics. Major General Sombat Rotphothong, a member of Class 7, who is now the deputy minister of defense, is the pride of his class. Also, Major General Chamlong Simuang, who was one of the leaders of this class, has twice been elected MP from Bangkok. He is the leader of the Moral Force Party and may soon be appointed deputy prime minister.

Recently, another member of CRMA Class 7, Lt. Gen. Buan Ngamkasem, an artillery officer who is very close to Major General Chamlong and who resigned his commission in order to serve as an adviser to the governor of

Bangkok in line with the wishes of his classmate, was mentioned as a likely candidate for the position of deputy minister of defense. He would be the second member of Class 7 to hold this position. The only difference is that unlike Maj. Gen. Sombat Rotphothong, Lt. Gen. Buan will not be an elected official.

Even though Lt. Gen. Buan is in "direct line" with Maj. Gen. Chamlong Simuang, there are many obstacles that he must overcome. In particular, many of his fellow classmates are competing for the position of minister of defense.

Colonel Prachak Sawangchit is another well-known former promoter. There were once rumors that he would be appointed to a position in an important ministry and return to the military. But even though he is a member of CRMA Class 7, he is at the opposite end of the pole from Maj. Gen. Chamlong Simuang. Col. Prachak once served as an MP from Bangkok, but that was as a member of the Thai Nation Party. Thus, it's very unlikely that Maj. Gen. Chamlong would appoint him minister as part of the quota of the Moral Force Party.

A fearsome contender for the position of deputy minister of defense is Major General Manun Rupkhachon, a cat with nine lives in military circles. Maj. Gen. Manun has great strength. Not only is he a fellow classmate of Maj. Gen. Chamlong, but he is also a very close friend of Major General Sanan Khachonprasat, the secretary general of the Democrat Party. The only problem is that Maj. Gen. Manun has many enemies in the army. He participated in two attempted coups. The important thing is that if his name were actually submitted, it's unlikely that he would be approved by Prime Minister Chuan Likphai, who is trying to forge good relations with officers in the military. Major General Sanan and Major General Chamlong Simuang are well aware of this weakness. Regardless of how hard they try, they would probably lose the fight. Thus, they have had to shift to Lt. Gen. Buan Ngamkasem. This is because even though Lt. Gen. Buan was involved in the April rebellion, he was not a key figure.

CRMA Class 7 is at mid-level, that is, it is not fully ripe or overripe. Thus, as soon as the name of Lt. Gen. Buan was submitted for the position of deputy prime minister, no one protested. In particular, officers in the military all said that Lt. Gen. Buan is a good man and so General Wattanachai Wutisiri has accepted this.

In short, regardless of who becomes deputy minister of defense, CRMA Class 7 is way ahead of CRMA Class 9, which is just beginning to get involved in politics.

* Constraints on Thai Military Bank Described

95SE0015A Bangkok THAN SETTHAKIT in Thai 16-19 Oct 94 p 5

[FBIS Translated Excerpt] [Passage omitted] During the past 2-3 years, several commercial banks and financial institutions have tried to build a business network by investing in other business activities in line with the trend toward broad competition in business. But this has not been the case with the Thai Military Bank.

Concerning this, Dr. Wirasak Apharak, the senior deputy managing director of the Thai Military Bank Ltd. told THAN SETTHAKIT that this is because more than 30 percent of the bank's major shareholders are members of the military, with 24 percent of the shares owned by people in the army. These shareholders do not have their own businesses. Investing in other types of businesses could be disadvantageous to the bank. This is different from other commercial banks whose shareholders are people in the private sector. There are various businesses that they can help develop or invest in. Besides this, the bank is constrained by conditions set by the Bank of Thailand (BoT), which has stipulated that it may not own more than 10 percent of the shares in another business.

"The bank's executive board has studied this matter in order to find a way to solve the problem. But so far no conclusion has been reached. The solution today is to engage in joint ventures with customers instead. An example is the establishment of the Property Perfect Company, in which the bank owns 5-10 percent of the shares. And there are other companies that are under consideration."

The senior deputy managing director said that even though this is a weakness of the bank, it is also one of the bank's strengths. Customers have greater trust in the bank and respect its professionalism. This is because the business of the bank is extending credit, which provides direct benefits. If business operations are expanded or the bank engages in takeovers, customers might lose their trust in the bank.

"The bank's policy is to focus on business activities in which it is skilled. By sticking to such activities, we will be able to do a good job and make a profit."

In the past, the bank owned 10 percent of the shares of the Atla Company Ltd., a real estate development company. But in the end, the bank sold all its shares, because it could not manage things fully. There was also the plan to establish the T.M.N Information Systems Company, in which the bank owned 60 percent of the shares and the T.N. Nicksdorff Computer Company (Thailand) owned 40 percent. Activities ceased because of the lack of qualified personnel. And it was feared that establishing a computer company might lead to problems concerning the safety of data. And there was the sale of 40 percent of the shares in the T.M International Bank in China to the M. Thai Group.

The five largest shareholders in the bank are: 1. The army, with 105,277,000 shares, or 24.62 percent; 2. the air force, with 18,361,160 shares, or 4.29 percent; 3. the navy, with 16,626,060 shares, or 3.89 percent; 4. the Listel Down Nominees Company, with 8,611,870 shares, or 2.01 percent; and 5. the Bankers Trust Company Ltd., with 6,158,710 shares, or 1.44 percent.

Vietnam

Canadian Prime Minister on Official Visit

State Welcome Given

BK1611143894 Hanoi VNA in English 1420 GMT 16 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 16—State and carpet welcome was granted to Prime Minister of Canada Jean Chretien as he, his wife and a 120-member delegation arrived here this afternoon, beginning a three-day official state visit to Vietnam.

The Canadian P.M. was greeted by his Vietnamese counterpart, Mr. Vo Van Kiet, and his wife at the presidential palace where the Canadian P.M. also reviewed the guards of honour of the Vietnam People's Army.

Speaking to his Canadian guests, P.M. Kiet welcomed P.M. Jean Chretian's visit, the first by a premier from North America to Vietnam, as a vivid manifestation of the strengthening of the relations between the two countries, which in his words, would help consolidate and promote these ties for the interest of each country.

P.M. Kiet took this occasion to express sincere thanks to the Canadian Government for having sent its representatives to international missions to monitor the truce in Vietnam, and for their valuable assistance.

For his part, P.M. Jean Chretien expressed pleasure to visit Vietnam. He noted that the Canadian people who had assisted the Vietnamese in several fields, are pledged to provide continued assistance to and to cooperate with Vietnam in its reform and national development.

Later in the day, talks were held between the Vietnamese and Canadian Government delegations led by the two prime ministers. A banquet was held then by Prime Minister Vo Van Kiet in honour of his Canadian guest. The government heads proposed toasts to the strengthened cooperation and friendship between the two countries.

Holds Talks With Vo Van Kiet

BK1711123194 Hanoi VNA in English 0630 GMT 17 Nov 94

[FBIS Transcribed Text] Hanoi VNA November 17—Talks were held here yesterday between Vietnam's Prime Minister Vo Van Kiet and his Canadian counterpart Mr. Jean Chretien, who arrived earlier the same day for a three-day state visit to Vietnam.

On the Vietnamese side were Le Xuan Trinh, cabinet minister and director of the Government Office; Le Van Triet, minister of trade; and Le Mai, deputy foreign minister.

On the Canadian side were Roy MacLaren, minister for international trade; Raymond Chan, secretary of state for Asia- Pacific Affairs, and others.

Prime Minister Vo Van Kiet reaffirmed that Vietnam would give priority to expanding its cooperation with Asia-Pacific countries, with important significance to the relations with Canada.

The Canadian Prime Minister said that his country welcomed Vietnam's renovation and appreciated the Vietnamese people's achievements and wished to continue promoting and expanding cooperation with Vietnam.

Both leaders expressed satisfaction at the development of relations between the two countries, especially that after the visit to Canada earlier this June of Vietnamese Deputy Prime Minister Phan Van Khai. They also exchanged opinions and views on guidelines and concrete measures to improve the two countries' cooperation in economic development, trade, science and technology, and culture.

The two sides shared the same view to promote long-term cooperation for mutual benefits. The Vietnamese side held that Canada may make positive contributions to Vietnam's industrialization and modernization.

The two Prime Ministers welcomed the signing of a trade agreement, an agreement on economic cooperation, and a statement on development cooperation agreement. They agreed to speed up the process of signing other agreements including one on avoidance of double taxation and a mutual legal assistance treaty.

They held that the Vietnamese community in Canada constitutes a favorable condition for the promotion of the two countries' cooperation and cultural exchange.

Exchanging opinions on regional and international issues, the two Prime Ministers expressed the two countries' wish to contribute to the cause of peace and cooperation in Southeast Asia, the Asia-Pacific and the world as a whole on the basis of respect for each other's independence and sovereignty, non-interference into each other's internal affairs, and equal cooperation for mutual benefits.

The talks took place in an atmosphere of friendship, sincerity, and mutual understanding.

Trade, Textile Agreements Signed

BK1611145794 Hanoi VNA in English 1432 GMT 16 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 16—Documents on Vietnam-Canada cooperation were signed here this afternoon in the presence of Prime Minister Vo Van Kiet and visiting Canadian Prime Minister Jean Chretien.

The documents include an agreement on trade and an agreement on textile goods signed by Vietnamese Minister of Trade Mr. Le Van Triet and Canadian Minister for International Trade Mr. Roy MacLaren. Vietnam's cabinet minister, Chairman of the Government Office Mr. Le Xuan Trinh and Canada's Secretary of State for Asia-Pacific Affairs [title as received] Mr. Raymond Chan signed a statement on development cooperation between the Vietnamese and Canadian Governments.

Vo Van Kiet Hosts Banquet 16 Nov

BK1711130094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Nov 94

[FBIS Translated Text] Dear friends, Prime Minister Vo Van Kiet and his wife hosted a banquet at the Government Guest House on the evening of 16 November to welcome visiting Canadian Prime Minister Jean Chretien and distinguished Canadian guests.

Attending the function were Vietnamese Foreign Minister Nguyen Manh Cam, Minister Head of the Prime Minister Office Le Xuan Trinh, Trade Minister Le Van Triet, and many other ministers, deputy ministers, and high-ranking officials of the Vietnamese Government.

In his speech at the banquet, Prime Minister Vo Van Kiet said:

[Begin Vo Van Kiet recording] This visit to Vietnam by His Excellency Jean Chretien is of great significance to the development of relations between our two countries. This is because this is the first visit to Vietnam by Canada's highest leader. One of the seven most economically advanced nations in the world, Canada has contributed actively to the cause of peace and cooperation among nations. In recent years, the Vietnamese-Canadian ties have been increasingly and satisfactorily developed. This can be seen from the establishment of Vietnamese and Canadian embassies and the appointment of ambassadors to the respective countries. Many government officials and businessmen from Vietnam and Canada have exchanged visits. We have highly appraise Canada's positive attitude and assistance to Vietnam, especially at various international financial organizations and international conferences.

We welcome the active participation of the Canadian Government, Canadian International Development Agency, and Canadian businessmen in various development and investment projects in Vietnam. We realize that Canada's experience in modern industry, telecommunications, environmental protection, economic management, and cadre training and so forth are very useful to Vietnam. As a country undergoing renovation with a vast market and great potential in many areas, Vietnam wishes to become a true and noted economic partner of Canada. On behalf of the Vietnamese Government and people, I would like to reaffirm here that this is Vietnam's aspiration and policy toward Canada. [End recording]

In his reply speech, the Canadian Prime Minister said:

[Begin Jean Chretien recording in English and fading into Vietnamese translation] It is a great honor for me to be the first prime minister of Canada to visit Vietnam. I would like to say that we have begun a new stage in cooperation. Recently, we realized that Canada is really a Pacific country and it is in a very favorable condition to help Vietnam. This is because we have all the things that Vietnam needs, while Canada itself wishes to expand its market. I am convinced that our ties will be increasingly enhanced and our economic relations will be strengthened. It is certain the Canadian-Vietnamese friendship and cooperation will be further enhanced and expanded. [end recording]

SRV, Canadian Business People Meet

BK1711141694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Nov 94

[FBIS Translated Text] In the framework of his official friendship visit to our country and in coordination with Vietnamese Minister of Trade Le Van Triet, Canadian Prime Minister Jean Chretien organized a meeting in Hanoi this morning for Vietnamese and Canadian business people.

Speaking on this occasion, the Canadian prime minister expressed the desire to develop economic and trade ties between Canada and Vietnam and voiced his support for Vietnam's participation in the World Trade Organization [WTO].

In his speech, Minister of Trade Le Van Triet expressed his hope that the meetings between Vietnamese and Canadian business circles would contribute to strengthening investment, cooperation, and trade opportunities. He regarded this event as a new chapter in bilateral cooperation.

The meeting was followed by a ceremony to sign a number of agreements and memorandums on providing technical assistance and cooperation in industry, telecommunications, and health care between Vietnam and Canada.

This afternoon Canadian Prime Minister Jean Chretien attended an international press conference. He said that he was greatly honored to be the first prime minister from the American states to visit Vietnam. During his talks and exchanges with Vietnamese leaders as well as at his meetings with business circles, the Canadian prime minister expressed his desire to further accelerate Canada's economic and trade ties with Vietnam and to help Vietnam with its administrative reform program, thereby creating conditions for Vietnam to participate in international organizations.

At the end of the press conference, the Canadian prime minister answered questions raised by foreign journalists concerning a number of regional and international issues.

Canadian Prime Minister's Visit Praised

BK1711132294 Hanoi Voice of Vietnam in English 1000 GMT 16 Nov 94

[Station commentary]

[FBIS Transcribed Text] As reported earlier, Canadian Prime Minister Jean Chretien arrives in Hanoi on Wednesday for an official friendship visit to Vietnam. It opens a new chapter in relations between the two countries. Here is our comment:

The visit to Vietnam by the Canadian prime minister is of great significance in bilateral relationship between Vietnam and Canada. This is a follow up over the visit to Canada in the middle of this year by Vietnamese Deputy Prime Minister Phan Van Khai. Mr. Chretien's visit coincides with the inauguration of the new office of the Canadian Embassy in Vietnam on Hung Vuong Street, a major and beautiful street in Hanoi.

The Canadian prime minister is accompanied by representatives of 35 enterprises who are considered by Canadian Ambassador Ms. Christine Deloges as somewhat experienced in cooperating with Vietnam. Many have been engaged in discussion to sign contracts or entered joint ventures to grant technical assistance to Vietnam.

Vietnam is the second leg of the Canadian prime minister's tour through Southeast Asian countries. It is the first visit to Vietnam by a Canadian prime minister since the two countries established diplomatic relations in August 1993. For a long time, bilateral relations did not see any development. In recent years, Canada has broadened its relations with Vietnam through trade activities, investment, development aid, and assistance to the reform process in Vietnam. Canada has also helped Vietnam to integrate into the world community. Canada this year supported Vietnam's admission to ASEAN, and granted official aid to Vietnam in projects for employment, telecommunications, transport, and to reform the macro economy.

The two sides are negotiating the signing of agreements on trade, avoidance of double taxation, and on justice. The two sides will sign a frame agreement on official development aid to Vietnam of approximately $30 million in a period of four or five years, a large increase on previous years.

The official visit to Vietnam by the Canadian prime minister will create many favorable conditions for further development of the bilateral relationship. The Canadian ambassador to Vietnam is right to say that 1994 marks a turning point in relationship between Vietnam and Canada.

Do Muoi Receives Cuban Military Delegation

BK1611150694 Hanoi VNA in English 1436 GMT 16 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov 16—General Secretary of the Communist Party of Vietnam Central Committee Do Muoi received here this afternoon the visiting high-level Cuban military delegation.

The party leader reaffirmed the gratitude from the Vietnamese party, state, Army and people to the party, Government, Army and people of Cuba for their wholehearted support and assistance and fraternal solidarity in the past and at present. He said that the Vietnamese people have always followed with keen interest the situation in Cuba and stood side by side with and supported the Cuban fraternal people.

For his part, the head delegate, Lt. Gen. Ulises Rosales del Toro, commander-in-chief of the Revolutionary Armed Forces of Cuba, hailed the achievements gained by the Vietnamese people in the renovation process and described them as valuable experience for and big encouragement to Cuba in the defence of revolutionary gains.

Economic Cooperation With Russia Reviewed

BK1711123494 Hanoi VNA in English 0633 GMT 17 Nov 94

[FBIS Transcribed Text] Hanoi VNA November 17—The sub-committee of the Russia-Vietnam Intergovernmental Committee for Economic, Commercial and Scientific-Technological Cooperation has held its regular session in Moscow under the chairmanship of Deputy Prime Minister Y. Yarov.

During the session the participants held that since the committee's third session in April 1994, the two sides have prepared to sign and signed various agreements on agricultural, industrial, and forestry cooperation and on investment encouragement and protection. The construction of the Hoa Binh hydroelectric power plant and the Lao Cai apatite plant which have been under way with Russia's assistance will be completed timely. They exchanged views on the signing late this year of a protocol for bilateral economic-commercial cooperation for 1995 and on their cooperation in exploration and exploitation of oil and gas in Vietnam's continental shelf and on the transfer of Vietnam's debt to a Russia-Vietnam joint venture enterprise.

Burmese Minister Tours Sericulture Enterprises

BK1711122394 Hanoi VNA in English 0716 GMT 17 Nov 94

[FBIS Transcribed Text] Hanoi VNA November 17—The visiting delegation of Myanmar's [Burma] Ministry of Border Area and National Races and Development Affairs led by Minister Maung Thint called at the

Vietnam Union of Sericultural Enterprises in Bao Loc, the central highlands Province of Lam Dong on 16 November.

Under an agreement signed in May 1994 between Vietnam's Ministry of Agriculture and Food Industry and Myanmar's Ministry of Agriculture, Vietnam would help Myanmar introduce mulberry for the development of sericulture as a substitution for opium poppy, within the UN programme against drug abuse and trafficking.

Culture Minister Visits Syria; Signs Agreement

BK1711122894 Hanoi VNA in English 0638 GMT 17 Nov 94

[FBIS Transcribed Text] Hanoi VNA November 17—Minister Tran Hoan led a delegation of the Ministry of Culture and Information for a working visit to the Syrian Arab Republic from November 9-13.

While there, the Vietnamese delegation held talks with a delegation of Syrian Culture Ministry led by its Minister Ms. Najah al-'Attar. The two sides informed each other of the political, socio-economic, and cultural situation in their respective countries. They affirmed the traditional friendship and mutual assistance between the two countries in their national defense and construction. They compared notes on the directions and measures to promote the mutual cooperation in culture as well as to consolidate the existing friendship between Vietnam and Syria.

A memorandum of understanding on culture cooperation between the two countries in 1995-1997 was inked during the visit.

The Vietnamese delegation was also received by Syrian Prime Minister Mahmud al-Zu'bi; Vice President Zuhayr Mashariqah; and Deputy General Secretary of the Arab Socialist Renaissance Party Abdallah al-Ahmar. It held talks with Information Minister Muhammad Salman.

The Vietnamese culturists toured a number of culture and information establishments in Damascus capital and Palmyra region.

* Opportunities for Oil, Gas Prospecting Listed

942E0011A Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 15-17 Sep 94 pp 10, 11, 28

["Producing and Investing in the Oil-Gas Industry in Vietnam: There Are Still Many Opportunities for Everyone"]

[Text] October 1994 will be a memorable period for Vietnam's oil-and-gas sector. For the first time, natural gas will be sent ashore from the Bach Ho [White Tiger] field to fuel the Ba Ria-Vung Tau power plant. At the same time, or a little later, oil will begin to be produced in the Dai Hung [Big Bear] field, an offshore field about 250 kilometers southwest of Vung Tau. At the same time as the Dai Hung field, production will begin in the Rong [Dragon] field. And there are many more opportunities for investors, because of the hundreds of thousands of square kilometers of continental shelf with hydrocarbon reserves, only about 25 percent have been reserved by 27 contracts. The remaining 75 percent of the area has not been explored and awaits opening up to new contractors.

Vietnam's oil and gas potential, especially under the continental shelf, is quite promising. However, Vietnam does not have sufficient capital and technical ability to develop its oil and gas. Therefore, it must rely on cooperation with foreign countries to carry out the exploration and exploitation of oil and gas.

Some Historical Features

PetroVietnam (previously called the Vietnam Oil-Gas General Department), set up in 1975, is a national oil-gas corporation that is responsible for carrying out the exploration and exploitation of oil and natural gas in all bays, continental shelf areas, and exclusive economic zones of Vietnam.

Prior to 1975, the Vietnam Geology General Department carried out exploration activities in the north in the early 1960s, in the Red River delta, with the financial and technical assistance of the Soviet Union. The first well there, 3,000 meters deep, was drilled in 1969. A small oil field was discovered in Thai Binh Province in 1975.

Furthermore, in the south the international oil corporations began to explore in 1974. The old Saigon regime signed 17 contracts with such oil corporations as Pecten, Mobil, Esso, Marathon, and Union Texas to explore and exploit oil and gas on the southern continental shelf. The Mobil and Pecten corporations drilled six wells in five structures in the South Con Son and Cuu Long areas. Two of the wells discovered oil in commercial quantities (the Dua and Bach Ho-1X wells). However, the contracts were terminated after the unification of Vietnam in May 1975.

Afterward, during the period from 1973 to 1980, PetroVietnam signed contracts to share production in the continental shelf area with three foreign corporations: the Deminex Corporation (West Germany) was granted lot 15, Agip (Italy) was granted lots 4 and 12, and the Bow Valley Corporation (Canada) was granted lots 28 and 29. Those corporations drilled 12 wells on 11 structures and discovered a lot with oil (15A-1X) and many other lots with signs of oil.

However, those corporations still had not entered the decisive phase. Therefore, the contracts were terminated in 1980.

After that, the period 1981 to 1988 was a long period in which no foreign oil companies operated on the continental shelf, except for the Viet-Xo Oil-Gas Joint Venture. Natural gas was produced at the Tien Hai "C" field.

Exploration in the Red River basin also gradually declined toward the end of that period.

Vietsovpetro, a joint-venture oil and gas corporation between Vietnam and the (former) Soviet Union, was set up and carried out geological explorations in nearly all areas of the continental shelf, from north to south.

Beginning in June 1986, Vietsovpetro produced oil in the Bach Ho field at the rate of 41,000 tons a year. Since then, annual output has increased considerably.

Although the output of wells in the Dai Hung and Rong areas is still limited, the results that have been attained are quite favorable.

The period from 1988 to the present:

This period truly started with the open-door policy and with the emergence of the Foreign Investment Law in Vietnam in 1987. Exploratory activities on Vietnam's continental shelf by foreign oil corporations were truly sweeping. During that period, PetroVietnam signed 27 contracts to share production with international oil corporations, including 26 contracts to exploit Vietnam's continental shelf and one contract in the Red River delta.

In addition, Vietnam and Malaysia signed a memorandum regarding the contested zone between Vietnam and Malaysia. The two countries permitted PetroVietnam and Petronas to sign a commercial document regarding cooperation in developing oil and gas in that area.

Drill Bits Active on Thousands of Square Kilometers

Between 1989 and 1993 the corporations that won contracts to share production drilled 42 test wells. Six discoveries of oil and six discoveries of natural gas were confirmed. Many other wells were found to have signs of oil and gas. At present, Vietsovpetro is still the only corporation producing oil in Vietnam. Its oil production has increased every year and has amounted to 6.3 million tons in 1993. Total output of the Bach Ho field amounted to 20 million tons by the end of 1993. Such promising fields as Tam Dao, Ba Vi, Ba Den, and Soi have been explored by Vietsovpetro and their reserves still have not been evaluated.

In the near future crude oil will be produced not only in the Bach Ho field but also in the Dai Hung field, the Rong field, and other fields that will be developed in the lots set aside for contractors who will share production.

There Are Still Many Opportunities

Of the hundreds of thousands of kilometers of continental shelf with hydrocarbon potential, only about 25 percent have been reserved for shared-production contracts. The remaining 75 percent still have not been explored and are available for new contractors. The new areas are the sedimentary basin lots in the Cuu Long and South Con Son zones.

Production-sharing contracts still have not been signed for the offshore lots to the southwest, in the Malay basin and Tho Chu areas, except for the Fina Minh Hai lot. Nor have production-sharing contracts been signed vis-a-vis the promising lots in the Red River basin and Phu Khanh. The areas reassigned from Vietsovpetro are also very promising. PetroVietnam will divide that area, and after receiving approval from the state will continue to urge international oil corporations to bid on contracts, and will create conditions for them to sign production-sharing contracts or set up joint ventures with PetroVietnam.

At present, PetroVietnam is producing about 130,000 barrels every day in the Bach Ho field, along with an important quantity of natural gas. In order to utilize the natural gas from Bach Ho, the Rong field, and the other fields in the future, PetroVietnam signed a contract with the Hyundai Corporation to construct a pipeline system to pipe the natural gas to the shore. That contract is being carried out urgently. In 1994 PetroVietnam also signed a contract with the TMB Consortium (Trans Canada Pipeline, British Gas, and Mitsui) to carry out feasibility studies regarding the use of natural gas from the Bach Ho field.

In addition, because of the rich natural gas reserves in Vietnam the state has decided to draft an over-all plan regarding the use of natural gas in Vietnam. The natural gas industry in Vietnam will certainly be a new opportunity for foreign investors.

Furthermore, although Vietnam has become an exporter of crude oil it does not yet have an oil refinery. Thus the construction of an oil refinery is an urgent matter. The amount of oil consumed locally is increased steadily. Therefore, Vietnam has a plan not only to construct its first oil refinery, with a capacity of more than six million tons a year, but also to construct a second oil refinery with a similar capacity. Responsibility for studying the feasibility of the first oil refinery was assigned to a consortium of Total (France), CPC, and CIDC (Taiwan). In addition to the projects regarding the use of natural gas and the oil refinery, a plan to develop oil and gas services could also provide many opportunities for foreign investors. Investment in construction, in shipping and drilling services, or in equipment and materials for oil and gas activities is also needed and offers many good prospects for foreign investors.

Oil-Gas Contracts Being Implemented in Vietnam

No.	Company	Nationality	Exploratory Lots	Effective Date	Notes
1	Vietsovpetro	Vietnam	09-16, 05-1	19-6-1981	
2	Ongc Videsh LTD	India	19, 06, ⅓ 12	19-5-1989	
3	Shell	Holland	112, 114, 116	16-6-1988	Returned after failing to find oil.
4	BP	Britain	117, 118, 119	18-2-1989	
5	Enterprise Oil/CEP	Britain/France	17, 21	14-4-1989	
6	Total	France	103, 106, 107	9-11-1989	Returned after failing to find commercial oil reserves.
7	IPL/Secab	Canada/Swit.	115	27-2-90	
8	Scepter Resources	Canada	111	23-5-1990	
9	Petro Canada	Canada	03, 20, ⅔ 12	29-5-1990	Returned. Another Canadian company negotiating for lots 12 and 20.
10	Petrofina	Belgium	46, 50, 51	8-8-1990	
11	BHPP	Australia	120, 121	10-1-1990	
12	Caim	England	22	28-8-1991	
13	Petronas Carigali	Malaysia	01, 02	9-9-1991	
14	Shell	Holland	10	27-4-1992	
15	Pedco	Korea	11-2	19-5-1992	
16	AEDC	Japan	05-3	4-6-1992	
17	BP	Britain	05-2	9-6-1992	
18	Idemitsu	Japan	109/91	24-6-1992	
19	Total	France	11-1	9-7-1992	
20	Lasmo	England	04-2	19-8-1992	
21	Mitsubishi	Japan	15-2	6-10-92	
22	Astra/Occidental	Indonesia/US	04-3	12-10-1992	
23	British Gas	Britain	04-1	28-10-1992	
24	BHPP	Australia	05-1a	15-4-1993	
25	Anzoil	Australia	Red River delta	22-7-1993	
26	OMV	Australia	Gulf of Tonkin	20-8-1993	
27	MJC	US/Japan	05-1b	19-4-1994	

[Note: The following accompanied the article as a boxed item]

Units Operating in the Oil-Gas Sector in Vietnam

Vietnam Petroleum-Natural Gas General Corporation—PetroVietnam, main headquarters at 80 Nguyen Du, Hanoi. Telephone: 84-4-265942. Fax: 84-4-265942. Telex: 41 2280 PVN-VT.

Sixteen units directly under the Vietnam Petroleum and Natural Gas General Corporations (corporations, enterprises, centers, and research institutes) in Hanoi, Ho Chi Minh City, and Vung Tau.

In Hanoi there are seven units:
Corporation To Oversee Production-Sharing Contracts (there is a branch in Ho Chi Minh City).
Oil-Gas Technical Services Corporation (there is a branch in Vung Tau).
Chemicals and Drilling Mud Corporation.
Vidamo Grease Corporation.
Oil-Gas Data Information Center (there is a branch in Ho Chi Minh City).
Oil-Gas Research Institute.

In Ho Chi Minh City there five units, four of which have offices at 7 Mac Dinh Chi, Precinct 1, Ho Chi Minh City:
Oil-Gas Exploration and Exploitation Corporation.
Petrochemical Processing and Refining Corporation.
Center for Oil-Gas Safety and Environment.
Oil-Gas Commerce Corporation.
The fifth unit in Ho Chi Minh City is the Oil-Gas Processing Development Research Center, the headquarters of which is at No. 4 Nguyen Thong, Precinct 3. Telephone number: 297487.

In Vung Tau there are four units:
Vietsovpetro Joint Enterprise Corporation.
VietGaz Corporation.
Oil-Gas Construction Federation Enterprise.
Oil-Gas Training Center.

Petachim, the Vietnam Oil-Gas Export-Import Corporation, directly under the Ministry of Commerce, has headquarters at No. 194 Nam Ky Khoi Nghia, Ho Chi Minh City. Telephone number: 293633.

Oil Fields That Are Operating or Will Operate in Vietnam

At present, only one oil field on Vietnam's continental shelf is producing: the Bach Ho field, a joint enterprise between the (former) Soviet Union, now the Russian Federation, and PetroVietnam. It is now producing about 130,000 barrels per day. By the end of 1993, the total output of the Bach Ho field had amounted to 20 million tons of crude oil. When crude oil is pumped a considerable amount of combination gas (about 70 billion cubic meters) is wasted because it cannot be recovered.

Vietsovpetro is actively preparing to exploit the Rong field, which is located south of the Bach Ho field. It is estimated that its initial output will amount to about 10,000 to 20,000 barrels by the end of 1994.

The Dai Hung field, which is also located south of the Bach Ho field, is being explored and exploited by a consortium consisting of Petro Vietnam and four large oil-gas corporations: BHP Petroleum, Petronas Carigali, Total, and Sumitomo.

It is estimated that with six submerged wells and semi-submersible production facilities, the Dai Hung field can produce 25,000 to 35,000 barrels of oil per day during the initial phase, by mid-October of this year, according to the plan.

Wells drilled in lot 15-2 (Mitsubishi), lot 2 (Petronas Carigali), and lot 5-3 (AEDC) have shown encouraging signs of oil. Mitsubishi is optimistic and thinks that the field it is exploiting could be the largest in Vietnam.

Meanwhile, the BP and ONGC corporations, after exploratory drilling in lot 06, found a considerable reserve of natural gas.

In view of that situation, it is predicted that at least four of five discoveries of commercial reserves resulting from oil-gas activities in Vietnam will be announced in the near future.

Australia

ROK President in Australia for Four-Day Visit

Kim, Delegation Arrive in Sydney

SK1611123394 Seoul YONHAP in English 1227 GMT 16 Nov 94

[FBIS Transcribed Text] Sydney, Nov. 16 (YONHAP)—South Korean President Kim Yong-sam, accompanied by cabinet ministers and a high-powered business mission, arrived here Wednesday afternoon for a four-day official visit.

On Thursday morning, he will meet the reporters accompanying him in the Sydney Regent Hotel to explain the results of the summit of the 18-nation Asia-Pacific Economic Cooperation grouping in Jakarta and his visits to the Philippines and Indonesia.

Whether he will discuss the political situation of his country, including the opposition's boycott of the parliament to press for the indictment of former President Chon Tu-hwan and others involved in "coup d'etat-like incident" in December 1979 on military rebellion charges, is to be seen with a keen attention.

After the press meeting, he will tour the harbor of Sydney and attend a reception to be held in his honor by the Korean community in the afternoon.

On Friday, he will fly to Canberra for a summit with Australian Prime Minister Paul Keating, among other things.

Arrives in Canberra for Keating Talks

SK1711110094 Seoul YONHAP in English 1036 GMT 17 Nov 94

[FBIS Transcribed Text] Canberra, Nov. 17 (YONHAP)—After spending one night in Sydney, President Kim Yong-sam flew to Canberra Thursday on the second day of his four-day state visit to Australia for summit talks with Prime Minister Paul Keating on expanding economic cooperation and improving bilateral relations.

Kim, aboard a special flight provided by the Australian Government, arrived at an Air Force base in the capital later in the day and was greeted by Foreign Minister Gareth Evans He passed through an Australian Honor Guard and waved to about 80 Koreans who greeted him at the base before moving to the Federal Parliament Building for an official welcoming ceremony.

President Kim was greeted by Australian Governor-General Bill Hayden on the square of the parliament building and received a 21-gun salute while shaking hands with Prime Minister Keating. After inspecting an honor guard, Kim introduced his entourage to the governor-general before stepping on a reviewing stand along with Hayden to listen to the national anthems of both countries. Kim then moved on to the governor-general's residence.

The official ceremony was attended by Keating, Hayden, House Speaker Stephen Martin, Senate President Michael Behan, Australian Ambassador to Seoul Mack Williams and others.

Earlier in the day, President Kim made an inspection tour of port facilities in Sydney and attended a luncheon hosted by new South Wales Premier John Fahey.

In a welcoming address during the luncheon, Fahey stressed that economic cooperation within the Asia-Pacific region is essential to the future of both countries and that South Korea is an important partner of Australia. Fahey also said that the two countries' futures provide many mutual opportunities which should be seized. Noting that New South Wales [NSW] has maintained a sisterhood relationship with Seoul since 1989, he expressed regret over the casualties caused by the recent collapse of Seoul's Songsu Bridge.

President Kim responded by saying "I heard Australia has been suffering from a severe drought but it rained early this morning when I was jogging. So, I think heaven gave the rain as a present for my visit to Australia."

The president said he was deeply impressed by the cleanliness of Sydney Harbor, adding: "When I go back home, I will instruct the environment minister to send an inspection team to Sydney to learn environmental policies."

"South Koreans call this land (Australia) the land of the future. But it seems to me that Australia is not only the land of the future but the land of today," Kim declared.

He then called on businessmen from both countries to cooperate to strengthen their nations' partnership. Closing his remarks, Kim congratulated the people of Sydney for winning the right to host the 2000 Olympics. "I believe that the Sydney Olympiad will be one of the most successful Olympics."

In the meantime, about 20 Koreans picketed and shouted around the NSW Government Building where the luncheon was held, denouncing the Seoul government for dropping indictment of those involved in the so-called Dec. 12 incident and demanding that it abolish the National Security Law and free political prisoners. President Kim, however, did not encounter the protesters because he entered the government building through a sheltered entrance.

Speaks at 17 Nov Dinner

SK1711110594 Seoul YONHAP in English 1041 GMT 17 Nov 94

[FBIS Transcribed Text] Canberra, Nov. 17 (YONHAP)—South Korean President Kim Yong-sam has called the Australian people to make a joint effort with the Korean people for peace and prosperity of the Asia-Pacific region.

Speaking at a dinner with Australian parliament members here Thursday evening, Kim stressed continuing close cooperation between the two nations "will serve as the prime motivating agent...for building a Pacific community."

He said he takes pride in the leading role the two nations jointly played in creating the Asia-Pacific Economic Cooperation forum and in successfully holding the two regional summits for opening an era of Asia-Pacific regional cooperation. Noting that the ties between the two countries were forged with the blood they shed together in defense of freedom during the Korean war, Kim stressed, "the future prospects for bilateral economic cooperation are bright in light of the highly complementary characteristics of our two [illegible]nomies and our immense growth potential."

He proposed that "as middle powers in this region which have together developed a model for international partnership, Korea and Australia work even more closely together to shape an era of Pacific peace and prosperity."

Saying Australia, a vast land with rich resources and diverse cultures, exhibits an exquisite harmony between nature and modern civilization, Kim concluded his speech by stressing the need for the two countries to "forge ahead hand in hand with eternal friendship towards the goals of our boundless development and of peace and prosperity throughout the Asia-Pacific."

57 Vietnamese Boat People Sent Back to Indonesia

BK1711064394 Melbourne Radio Australia in English 0500 GMT 17 Nov 94

[FBIS Transcribed Text] Australia has sent 57 Vietnamese boat people back to Indonesia. The boat people had arrived in Australia in three boats in September and October this year. Camille Funnell reports:

[Begin Funnell recording] Australian immigration officials say interviews had confirmed 57 were all Vietnamese nationals who had arrived in Australia from the Galang processing center in Indonesia. They were claiming asylum in Australia, but immigration officials say the 57 had already had their claim dealt with in Indonesia and were screened out as not meeting the United Nations definition of a refugee. Under Australian laws, once that happened, the people are not entitled to claim asylum in Australia. [end recording]

New Zealand

MP's Report on Situation in East Timor

BK1611100794 Hong Kong AFP in English 0753 GMT 16 Nov 94

[FBIS Transcribed Text] Wellington, Nov 16 (AFP)—New Zealand politicians back from a visit to East Timor said Wednesday that mass immigration from Indonesia was a "major factor" in tensions in the troubled enclave. The four MPs, reporting on last month's visit to parliament's foreign affairs and defence select committee, said "quiet but forceful diplomacy" was needed to improve the situation. They also called for Indonesian security forces to withdraw from East Timor, describing the human rights situation as "not acceptable."

The delegation told the committee that over the past five years perhaps 100,000 people—mostly from Java—had moved into East Timor, eight times the official figure.

Indonesian officials had given the New Zealanders a figure of 12,000 people moving to East Timor over the past five years.

Opposition Labour MP Jim Sutton identified [word indistinct] influx as a key issue, saying it was "resented and feared".

"Until the native East Timorese feel they have control over trans-migration, I believe anti-integration sentiment will continue to grow," he said. The migrants were seen as snatching the good jobs, and were more entrepreneurial and commercially sophisticated, he said.

"The Timorese feel their culture and society is being overwhelmed, and that the situation is out of their control".

Delegation leader, Roger McLay, a government minister, said it had been suggested that people were being encouraged to move with financial inducements. Labour MP Phil Goff said that "for all the effort (the Indonesians) put into economic and social infrastructure, (they) were not winning over the people of East Timor", which has a population of around 800,000. Goff added: "People could not put the past behind them. It has been too traumatic. The estimates that we got from Bishop (Carlos Filipe Ximenes) Belo, from Amnesty and others, indicate that there probably were over 200,000 people killed.

"Even if the figure was half that, that's a huge percentage of the population. People cannot forget that... the army is still regarded as an army of occupation." Goff said it was essential the eight battalions of Indonesian soldiers, plus an unknown number of intelligence officers, were withdrawn. The next step was a move towards greater autonomy.

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